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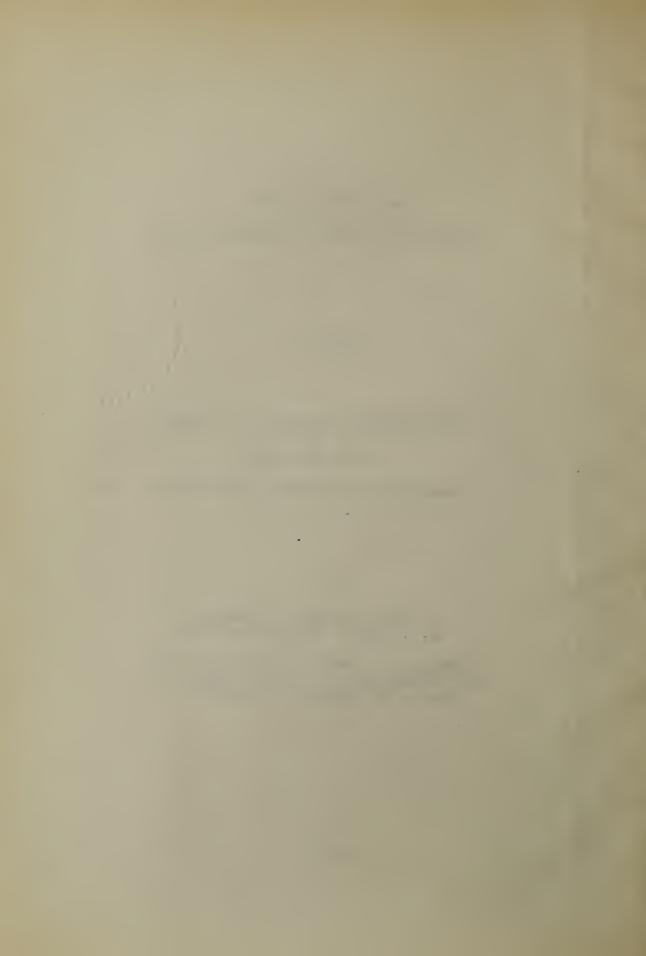
THESIS

THE AMERICAN FEDERATION OF LABOR under NRA Codes
Automobile and Steel Industries

by

David Arthur Lurensky (B.S. Boston University 1933)

submitted in partial fulfilment of the requirements for the degree of Master of Commercial Science



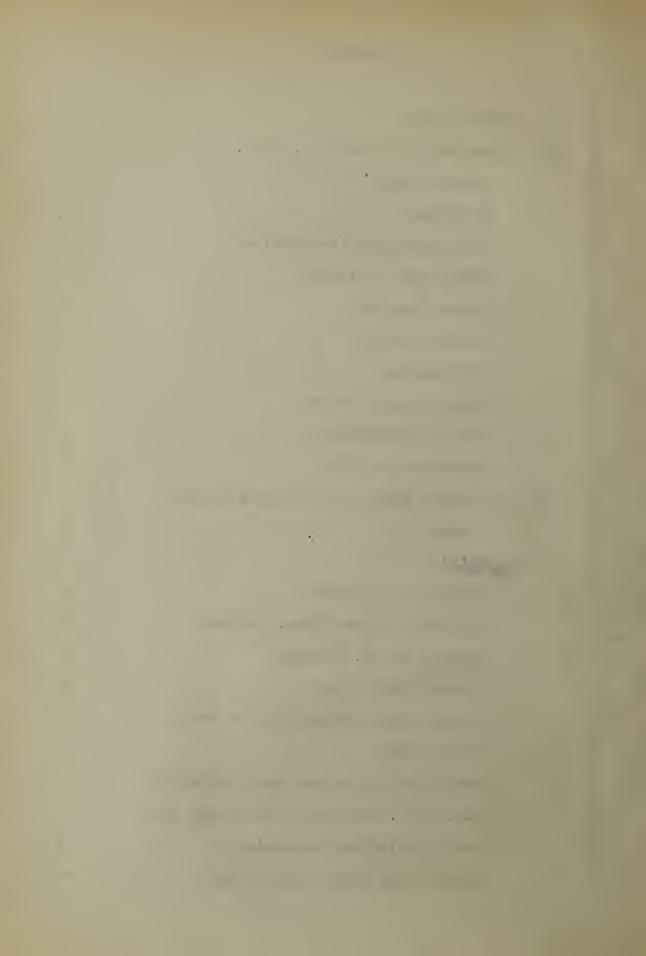
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The author wishes to express his appreciation of the helpful criticism and guidance received from Dr. Edwin M. Chamberlin.

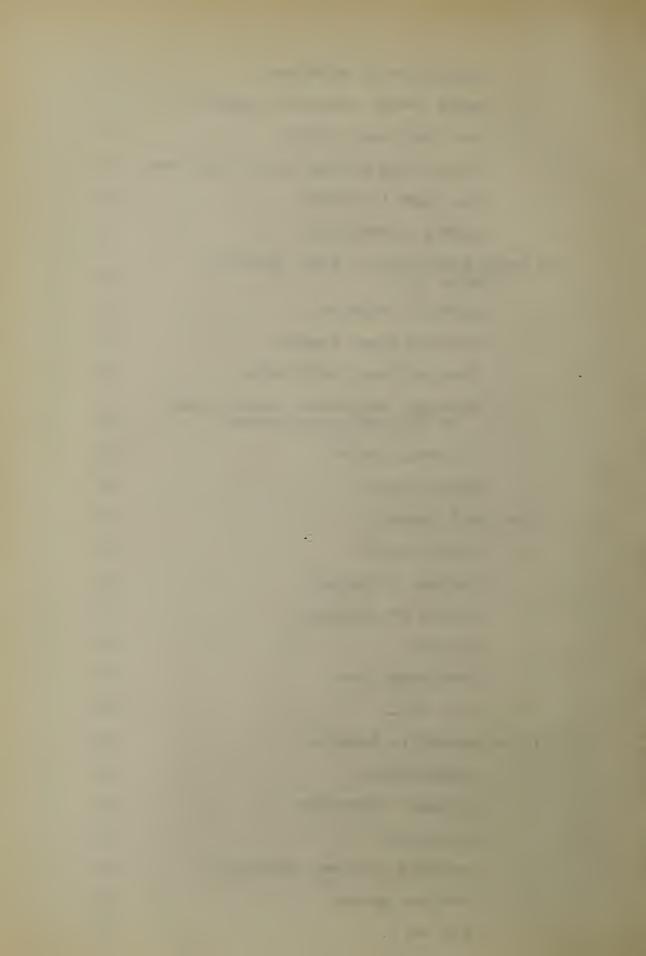


CONTENTS

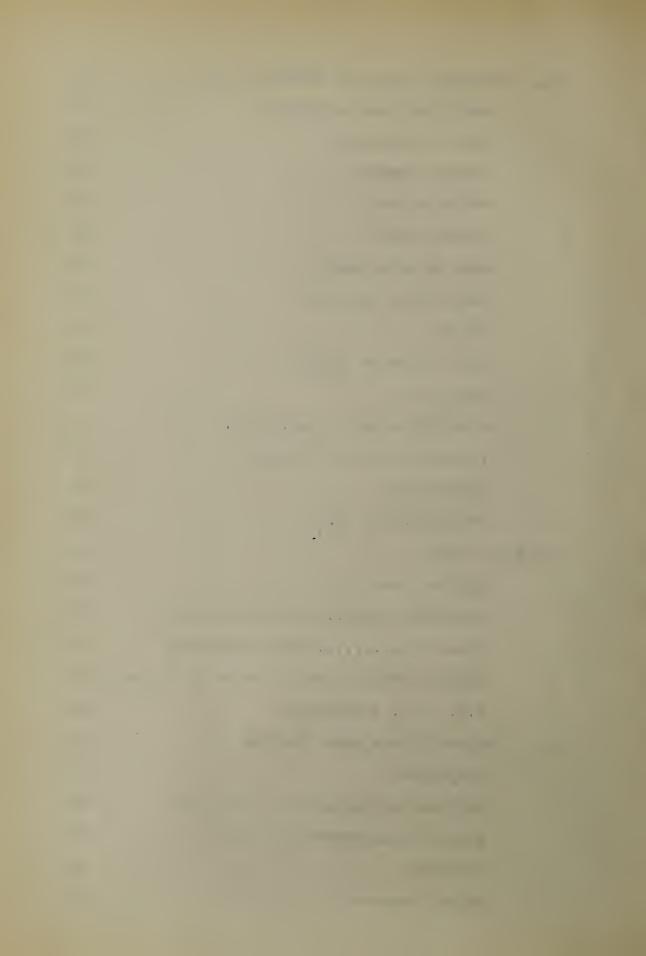
I	Introduction	
II	Organization of the A.F. of L.	1
	local group	1
	Nationals	1
	year organized (Federation)	2
	power over Nationals	2
	trade councils	2
	central unions	2
	departments	3
	Federal local unions	3
	craft organization	3
	organization chart	4
III	The Closed shop in the United States	5
	origin	5
	guilds	5
	printer's societies	5
	printers, cordwainers, tailors	5
	Knights of St. Crispin	6
	closed shop strikes	6
	closed shop developments by 1875	6
	union label	6
	campaigns for closed shop 1885-1893	6
	A.F. of L. statement for closed shop	6
	court decisions concerning	6
	closed shop after Spanish War	6



opposition by employers	7
metal trades employers organize	7
war time labor policy	7
closed shop strikes after World War	8
the right to strike	8
status closed shop	8
IV Union Experience in steel industry (before NRA)	10
puddlers organize	10
iron and steel heaters	10
iron and steel roll hands	10
National Amalgamated Association of Iron and Steel Workers	10
Homestead Strike	11
union failure	11
V The Steel Industry	12
significance	12
tonnage production	12
number of companies	12
capacity	12
anti-trust laws	13
A.F. of L.	13
VI The Automobile Industry	14
significance	14
economic importance	14
employment	15
relation to other industries	16
American genius	16
A.F. of L.	16



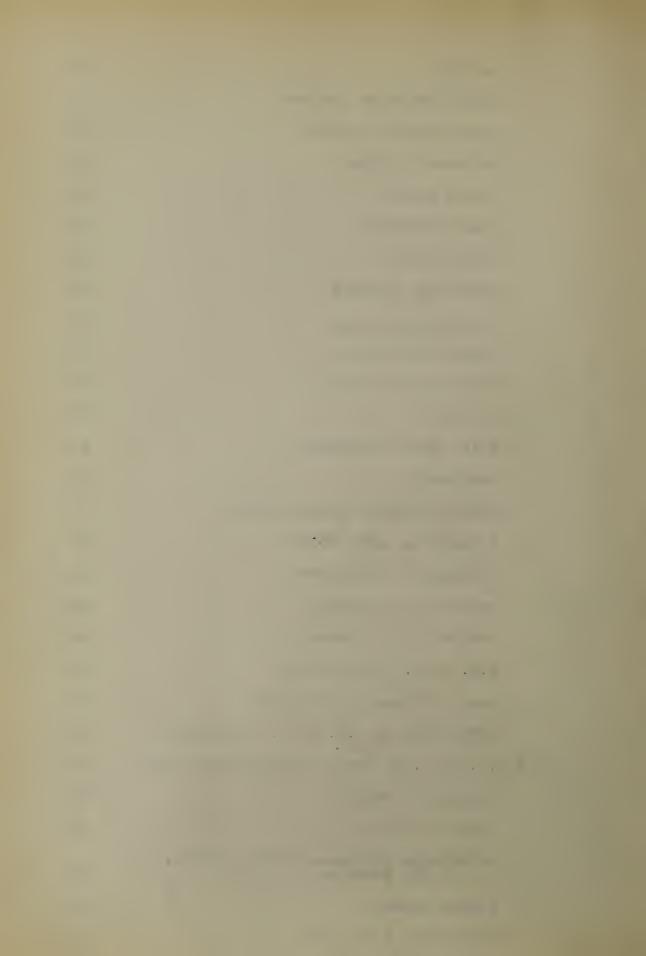
VII	National Industrial Recovery Act	18
	conditions necessitating	18
	need of research	18
	charges against	19
	reform needed	19
	laissez-faire	20
	need of experiment	20
	sections of the Act	21
	the Act	21
	declaration of policy	22
	Section 7a	22
	interpretation by A.F. of L.	22
	interpretation by industry	22
	partnership	23
	status A.F. of L.	23
VIII	The Codes	24
	blanket code	24
	automobile codelabor provisions	25
	steel codelabor provisions	27
	capital versus labora trial of strength	28
	A.F. of L. statements	28
IX	Company Unions under the NRA	29
	campaigns	29
	influencing employees in favor of	29
	Chrysler Representation plan	30
	motives	30
	significance of	30



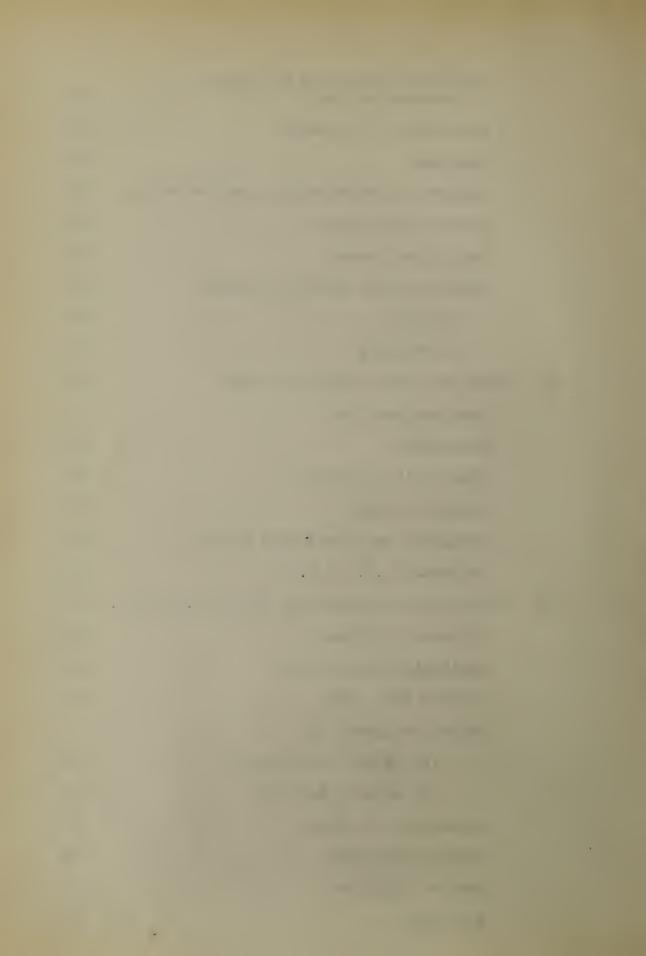
X	Participation of the A.F. of L. Various Boards	32
	labor advisory board	32
	membership on	32
	National Labor Board	32
	membership on	32
	President's Statement	33
	power of the National Labor Board	33
	regional boards	34
	membership of	34
	automobile labor board	35
	membership on	35
	status of the A.F. of L.	35
XI	Decisions of National Labor Board	36
	lack of enforcement authority and power	36
	non-compliance	36
	summary of cases	37
	(a) Edward Budd Co.	
	(b) Houde Engineering	
	(c) Prepublic Steel	
XII	A.F. of L. under NRA (automobile industry)	39
	opposition	39
	Ford	39
	Ford penalized	39
	campaign against	39
	wages	39
	Ford plant unionized	40



	strikes	40
	significance of strikes	40
	three-cornered battle	40
	statement by Time	40
	hourly wages	41
	weekly earnings	41
	living costs	41
	reduction in hours	41
	Ford increases pay	42
	issue-closed shop	42
	industry's attitude	42
	crisis	42
	White House conference	42
	settlement	42
	what settlement accomplished	42
	Automobile Labor Board	43
	settlement interpreted	43
	members of the board	44
	conduct of the board	44
	A.F. of L.'s sacrifice	44
	Case of Electric Auto-Lite	52
	points won by A.F. of L. (Auto-Lite)	52
III	A.F. of L. in Steel Industry under NRA	53
	industry's policy	53
	captive mines	53
	membership Amalgamated Iron, Steel, & Tin Workers	53
	strike threat	54
	industry's attitude	54



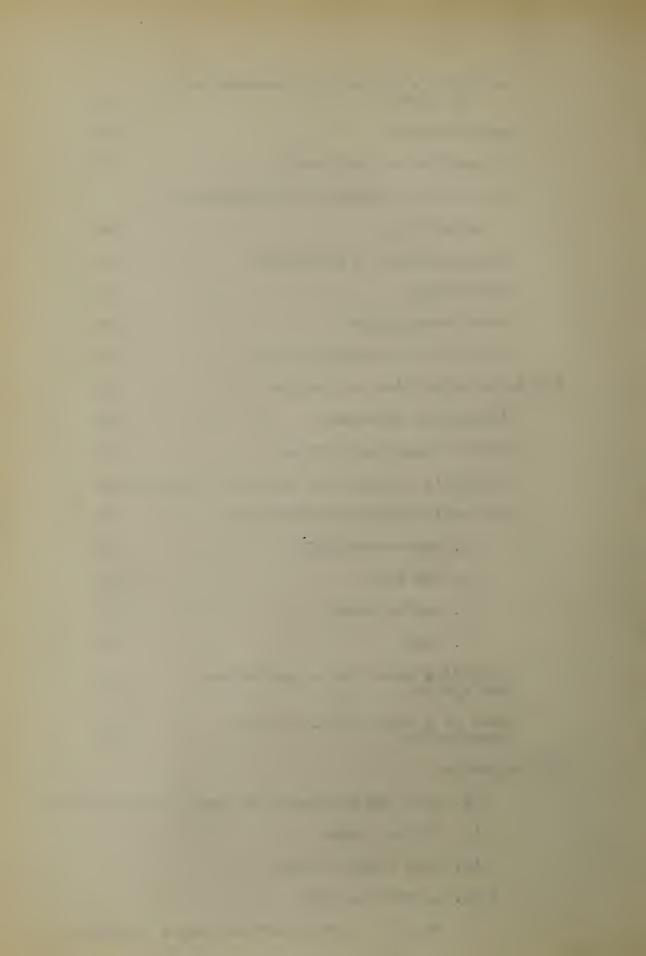
	Government elections for labor representatives	54
	statistics of industry	55
	earnings	56
	employee representation plan decisions	56
	Weirton Steel case	68
	the strike threat	70
	National Steel Relations Board	72
	purpose	72
	membership	72
XIV		75
	Congressional Act	75
	membership	75
	President's statement	76
	Executive order	78
	displaces National Labor Board	81
	affecting A.F. of L.	85
χV	Conclusion The Position of the A.F. of L.	88
	Lippmann's opinion	88
	administration of Act	89
	forcing the issue	89
	status as judged by	
	(a) Detroit settlement	91
	(b) Weirton Decision	92
	dependency of labor	92
	strike leadership	92
	lack of diplomacy	93
	dictation	93



A.F.of L's claim to representation of labor	93
arbittration	93
opposition to arbitration	93
A.F. of L's principle of collective	
bargaining	94
participation in government	94
membership	95
good accomplished	96
craft form of organization	97
XVI Basic principles of Justice	98
industrial democracy	98
labor's responsibilities	99
ancient's problems of labor and legislat	ion
and valid biblical injunctions	99
1. Deuteronomy XXIV	99
2. Job XXXI	100
3. Ecclesiastes	100
4. Paul	100
something more than organization and system	100
need of a spiritual force and inspiration	100

XVII Appendix

- 1. Iron Age statement on Secret Strike Ballot
- ii. blanket code
- iii. Iron & Steel Code
- iiii. Automobile Code
 - V. National Labor Board Decisions (complete)
 - Vi. Circulars to employees



XVIII Sources and References



Introduction

Labor difficulties date back to time immemorial. The relationship between employer and employee has been the subject of legislation from the very earliest days of civilization. To lay all our present labor problems at the door of the National Recovery Act of June 1933 is to overlook the facts of history.

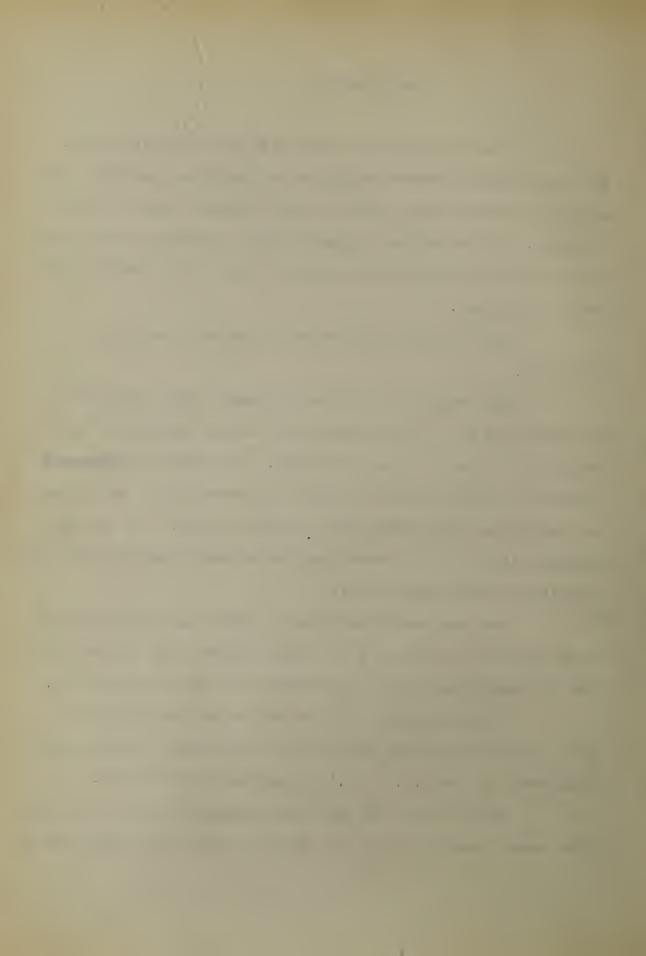
Strife and strike prevail because labor has a grievance.

The condition of labor throughout the depression has been such as to bring about some social phenomenon expressive of labor's dissatisfaction. The National Industrial Recovery Act has served to modify the reaction of the masses to conditions which might have produced chaos. The Act is a stepping stone to the development of a more equitable and more just industrial organization.

The American Federation of Labor has taken Section 7a of the Act to mean that it could enforce with the aid of the government collective bargaining and union recognition.

I have attempted in the chapters that follow to give a brief background picture for the present setting, and an account of the A.F. of L.'s progress under the Act.

While there have been many short articles concerning labor under the NRA Codes, no complete survey has been made as



yet concerning the American Federation of Labor in the Automobile and Steel Industries.

It has been difficult to write on this unexplored subject. Great care has, however, been taken to eliminate unreliable information. I have made a great effort to employ only those sources that are reputedly reliable.

D.A.L.

July 2, 1934

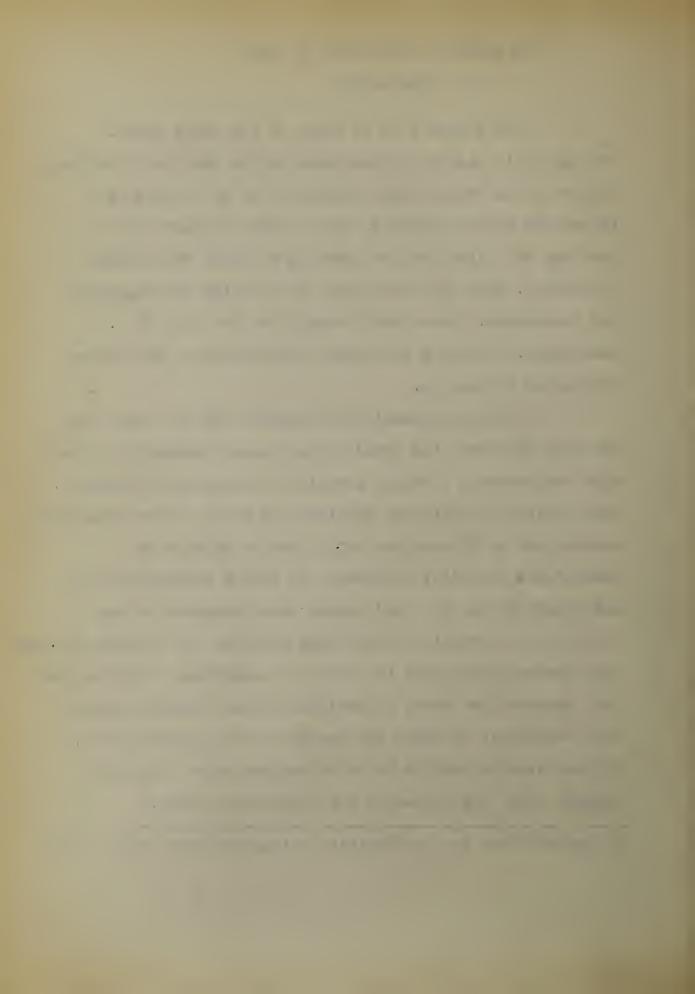


THE AMERICAN FEDERATION OF LABOR Its organization

This group is made up of craftsmen of the same trade and may consist of as few as seven members or my be so large as to include several hundred. These locals conduct their meetings much like the town meeting of small New England Communities. Here local problems and policies are discussed and formulated. These locals constitute the A.F. of L. membership. Delegates from these locals make up all bodies within the Federation.

with the expansion of industry and the break down of local barriers, the local unions became inadequate to cope with the numerous problems peculiar to large scale industry. Local unions in different sections and cities found themselves working out of harmony and very often in opposition unknowingly to fellow craftsmen. To effect standardization and organization the local groups sent delegates to meet in National Convention, determining policies and programs carried out between conventions by executive committees. This resulted in a what are now known as National unions. National unions with membership in Mexico and Canada use the prefix inter. Through standardization and coordination these Nationals brought order and system to the individual trades.

^{1.} Malcolm Keir in the Christian Science Monitor, Jule 6,1934



The American Federation of Labor was organized in 1881. In 1886 it underwent a reorganization. It exercises the minimum of power over its member orders which are largely National Unions. These Nationals have retained full autonomy except for functions delegated to the A.F. of L. Its principle functions are to determine uniform policies and to centralize labor publicity and lobbying.

The Federation's power is largely dependent upon persuasion which is the expressed opinion of the majority of the Nationals. Any National can defy this opinion at will. The Federation cannot issue any kind of an order.

Kindred trades have regional and district councils.

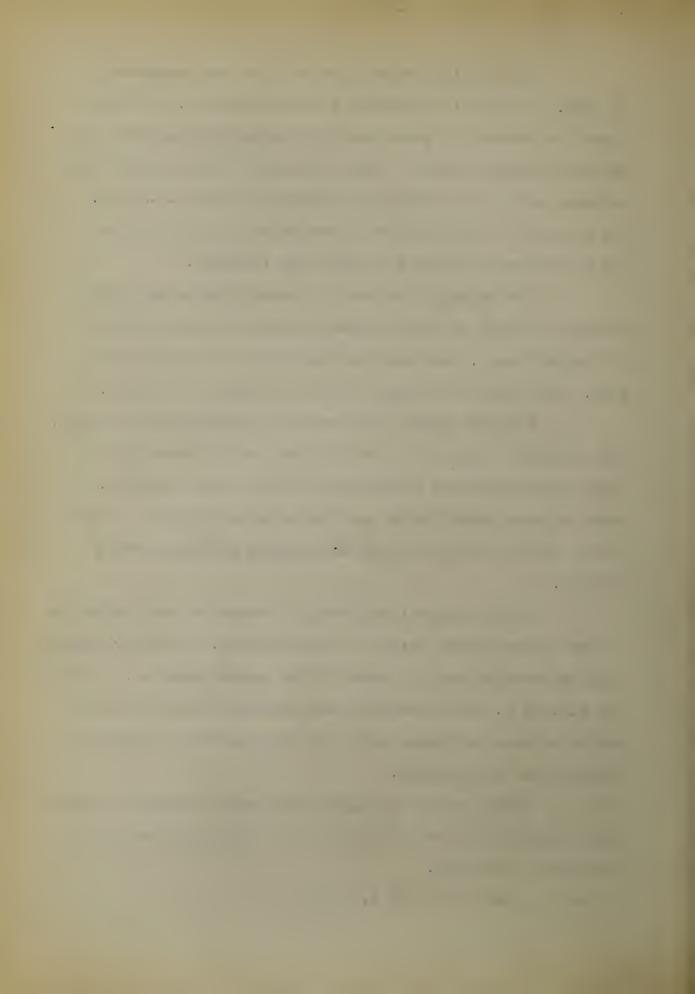
Allied unions such as the building and metal trades have
many special problems which must be worked out together.

These various trade unions combine in such councils as the
Boston Trade Council and the New England Building Trades
Council.

These regional and district councils send delegates to the Central Labor Union of the Community. Here all trades find representation; all labor finds common interest. Before the A.F. of L. these Centrals were powerful but are now no longer of much influence save that they serve to harmonize the various labor groups.

These Central groups in turn send delegates to the State organizations which conduct state lobbying and local educational projects.

1 Nov. 15, 1881 (A.F. of L. Seal)



In the Building, Railroad, and Metal trades there is an organization called a Department. The Department fills the gap between the various trades and the A.F. of L. The Department federates related trades and makes for what some consider a step toward an amalgamation into one all inclusive Union.

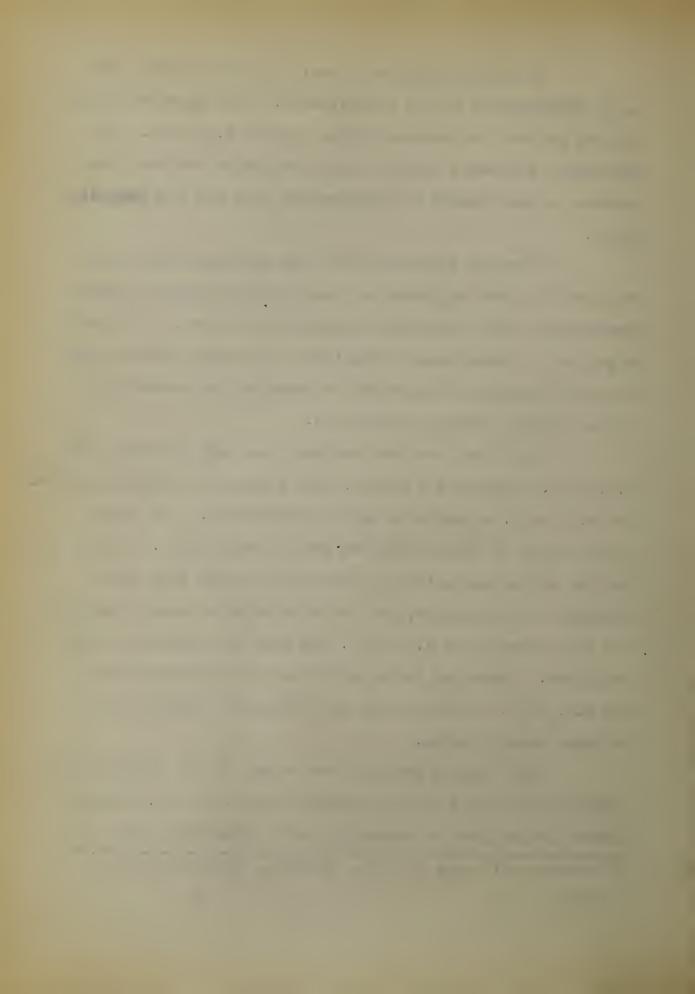
Directly affiliated with the American Federation of Labor are what are known as local Federal Unions in which membership is not classified according to trades. Originally organized to reach small communities and groups, these locals have been temporarily expanded to organize the automobile, steel, rubber, and coal industries.

An effort was made several years ago to revamp the A.F. of L. organization without much progress in this direction. The A.F. of L. is mainly a craft organization. Its entire organization is woven about the traditional crafts. The expansion and mechanization of industry has made such craft organization inadequate, and in the opinion of some, obsolete. For this reason, the A.F. of L. has been the subject of much criticism. There can be no doubt that in its present form, the A.F. of L. is inimical to the effectual organization of the wage earning class.

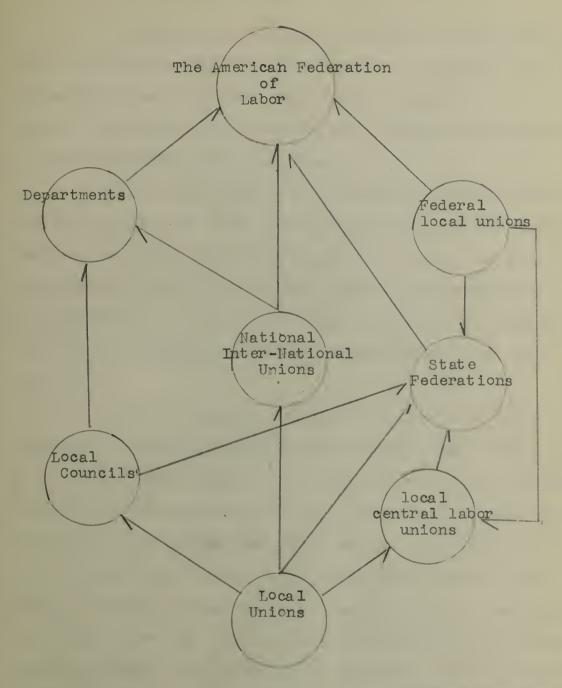
The form of organization is one of the contributing handicaps that will serve to prevent the A.F. of L. from becoming the legitimate representative of American labor.

^{1.} Malcolm Keir June 6, 1934, Christian Science Monitor

^{2.} Ibid



Structure of the Federation



adapted from chart by Malcolm Keir



-5-

The Closed Shop in the United States

Before the NRA

The American Federation of Labor is now struggling for a foothold in American industry. The automobile and steel industries have heretofore been free of organized labor. Into these industries has come the American Federation of Labor demanding the closed shop.

The closed shop is not of American origin. During the Middle Ages the Craft Guilds and Merchant Guilds exercised control over labor and industry so as to create the closed shop. All workers were obliged to join a craft and to adhere to its regulations. These Craft Guilds were extremely powerful and flourished until the Industrial Revolution made them obselete.

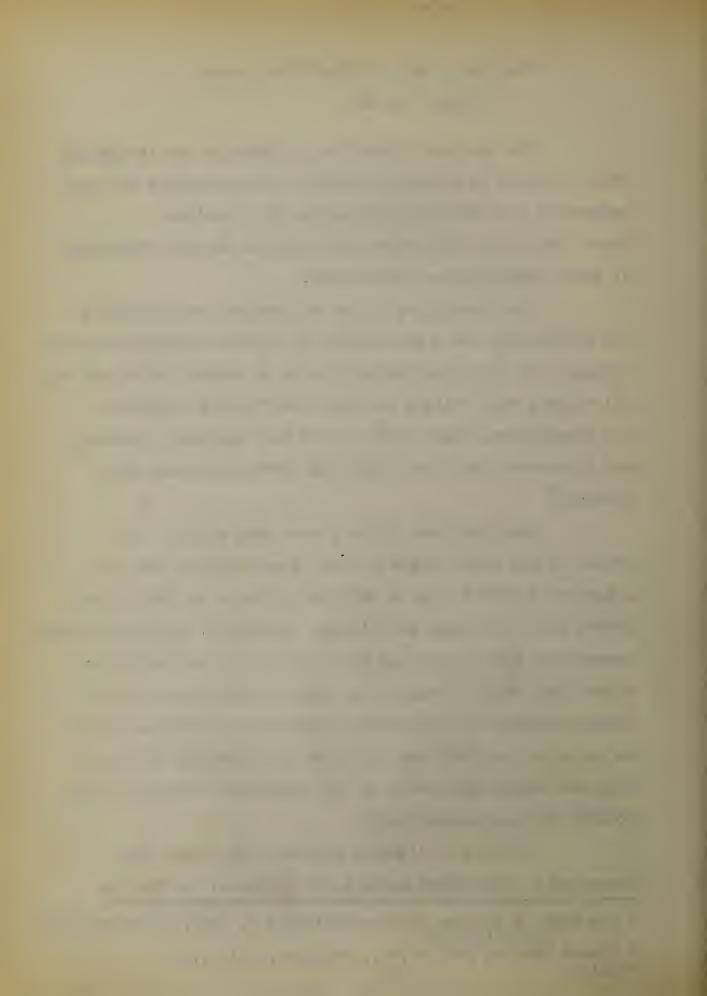
When the idea of the closed shop was put into effect in the United States is not exactly known. Yet is is a matter of record that in 1802 the printers of this country formed what were known as Printers' Societies. By 1835 printers, cordwainers and tailors had developed the principle of the closed shop fully. Practically every trade union in the country favored the exclusion of non-union workers as early as prior to the Civil War. The idea of enforcing the closed shop was abroad very early in the industrial history of this country but was unenforceable.

In the late eighteen hundreds the closed shop increased in importance among labor policies. In 1868 the

¹ The Book of History, Grolier Society, N.Y. 1923, pp.201,508,510, 3672,4135,5275

² Closed Shop in America, F.T. Stockton, 1911, p.33

³ Toid



Knights of St. Crispin (Journeymen Shoemakers) struck for a closed shop. Of their eight strikes all but one failed.

By 1875 there were two important developments in the closed shop policy: 1

- 1. Scabs were discriminated against by joint unions
- 2. The business was established as a unit, not the single shop.

In addition, expression was given to labor's attitude toward non-union goods. By 1880, the trade union label, symbol of the closed shop, was in vogue.

Campaigns for the closed shop were conducted from 1885 to 1893 by such large unions as the lasters, glass blowers, window workers, machinists.

The American Federation of Labor made an important statement concerning the closed shop in 1890: "It is inconsistent for union men to work with non-union men, especially when they are displacing their fellow unionists who may be engaged in strike or lockout." 4

A severe set-back for labor and the closed shop was caused by the decisions of the higher courts from 1850 to 1898 that declared strikes for closed shop as either criminal or tortious. The depression of the period lessened labor's zeal for the closed shop and activity in its behalf decreased.

The period following the Spanish War was one of business activity. Labor's courage to strike for the closed

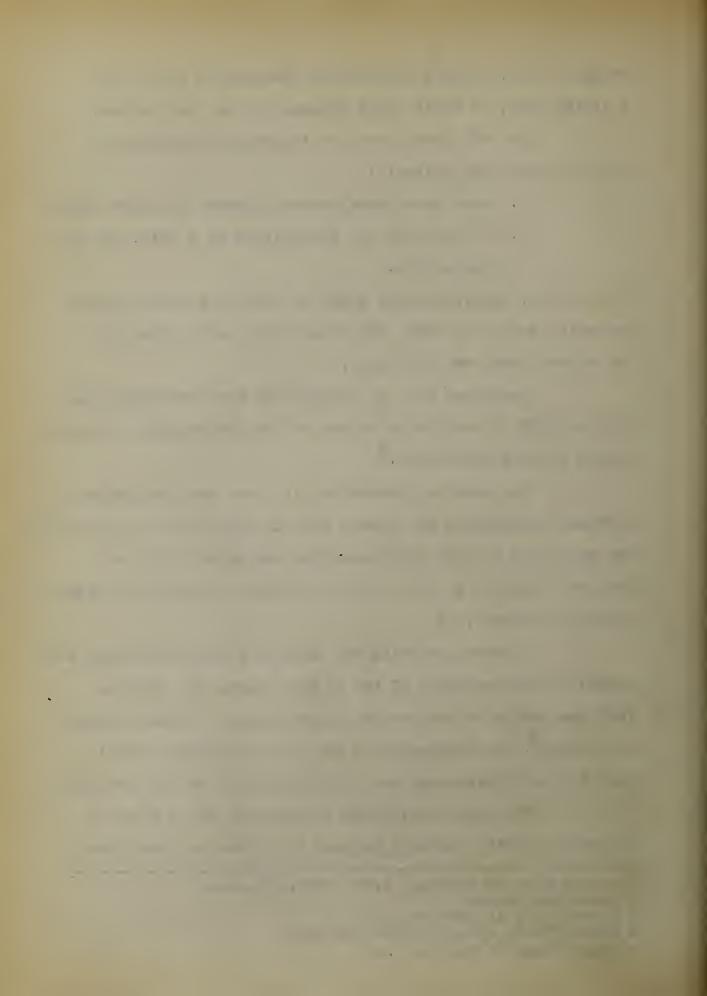
¹ Closed Shop in America p.38 (F.T. Stockton)

² non-union worker

³ Closed Shop in America p.39

⁴ Report Tenth Annual Convention 1890

⁵ Closed Shop in America p.42



shop increased and there were frequent strikes for "Recognition of Union and Union Rule." The Unions at this time began to insist upon written agreements from employers.

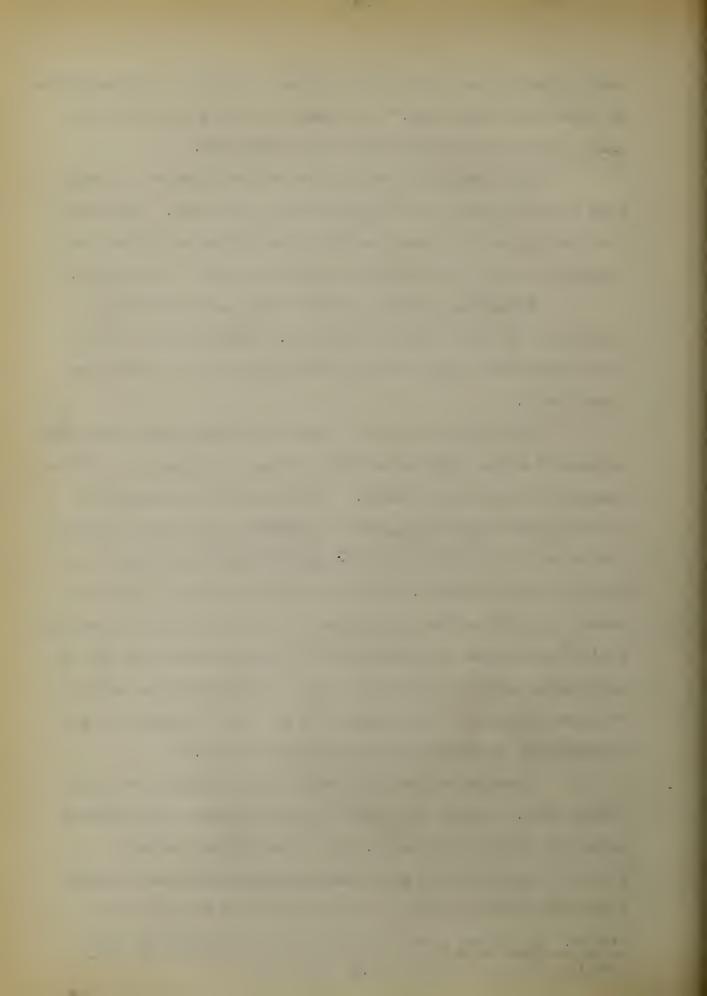
The methods of the Unions and the idea of a closed shop were repugnant to the employers of the time. Realizing that the closed shop was the key to the labor situation employers set out to destroy the system of labor enforcement.

First to seriously oppose organized labor was a federation of Metal Trades employers. Subsequently, there were innumerable Trade associations organized to combat the closed shop.

In 1902 there came a drastic decision from President Roosevelt's Coal Commission which did great damage to Labor's campaign for the Closed shop. The President had appointed an Anthracite Coal Commission to arbitrate the great miners strike and in its award forbade establishment of closed shop during period of award. Section IX of the award, "That no person shall be refused employment, or in any way discriminated against on account of membership or non membership in any organization and that there shall be no discrimination against, or interference with any employee who is not a member of any organization by members of such organizations." 1

Through to the World War Labor struggled for the closed shop. During the World War governmental interference prevented violent outbreaks. The Labor policy during President Wilson's War time administration promised to mark a new era in the history of organized labor in the United States. Labor was given the right to participate in the

¹ Bulletin Dept. of Labor No.46 May 1903



nation's political and industrial affairs.

Following the war both labor and capital were anxious for a trial of strength. Long strikes broke out and labor struggled for a permanent foothold in the industry.

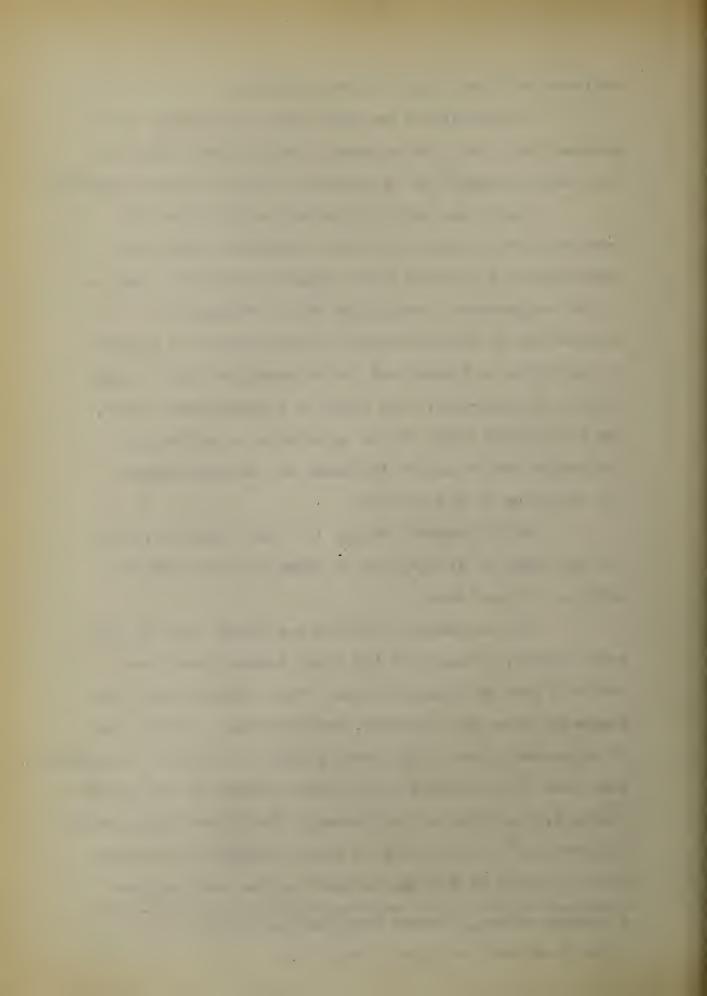
Labor has not been favored on the whole by decisions of the nation's courts. Decisions have been unfavorable to striking labor organizations. The right to strike was, however, stengthened by the President's declaration in 1919: "The right of individuals to strike is inviolable and ought not to be interfered with by any process of government, but there is a predominant right, and that is the right of the government to protect all its people and to assert its power and majesty against the challenge of any class."

With a gradual change in legal viewpoint, labor won the right to strike, but it never won the right to enforce a closed shop.

The automobile industry has always been an open shop industry. Since 1901 the steel industry has been entirely free of organized labor. This industry, too, was always an open shop industry. The breakdown of the forces of organized labor in the steel plants is worthy of enlargement. More than fifty percent of the steel workers of the United States are employed by one company, the United States Steel Corporation. The majority of labor employed is unskilled and is largely of foreign extraction. The race problem

¹ Woodrow Wilson, December 1919, Washington, D.C.

² The Steel Workers, John A. Fitch p.5



complicates the task of labor organizing. Years ago, the workers of the industry were organized but the Steel Industry shattered their ranks. The A.F. of L. must face a trying, bitter struggle, and the outcome must remain dubious.

¹ Because of this, the A.F. of L. has been a staunch supporter of laws restricting the arrival of emigrants.



UNION EXPERIENCE IN THE STEEL INDUSTRY before the NRA

A company of puddlers undertook to secretly organize the laborers of their plant in 1858. This union underwent a reorganization in 1861 and took the name "Sons of Vulcan". In 1862 the national organization, The National Forge was established in Pittsburgh. Although it was regarded as one of the strongest unions of its time, it affected little recognition from the employers.

A local lodge of Heaters started the first permanent organization in the finished trade at about the same period. This Association of Iron and Steel heaters grew rapidly and by 1874 had a membership of 700 members in 28 lodges.

In 1870 a local group organized in Chicago and called themselves the Iron and Steel Roll hands of the United States.

These several organizations in 1875 combined to form the National Amalgamated Association of Iron and Steel Workers. Its membership in 1891 rose to over twenty four thousand. The failure of the Homestead Strike sent its membership downward until in 1909 it had only a little over six thousand members.

^{1.} The Steel Workers--John A. Fitch, 1911 p. 77

² Ibid p. 83

³ Ibid p. 85

The men at Homestead struck for better pay and union recognition. The Steel Industry in a long bitter struggle shattered the forces of labor. So completely demoralized were the unions that the industry has been free of them since.

Not since 1919 has the A.F. of L. attempted to organize the Steel workers. Today as yesterday, the A.F. of L. is opposed by men who would rather fight to the last ditch than open their plants to outside unions. Free since 1900, can the Steel Industry be unionized under the NRA? Can the A.F. of L. capture the prize industries?

Current History, New York Times, Vol. XI, Oct. 1919-March 1920, p. 428

of 1919 said in its report of Nov. 8, 1919:
"The Committee is of the opinion that the A.F. of L. has made a serious mistake and has lost much favorable public opinion which otherwise they would possess, by permitting the leadership of this strike to pass into the hands of some who heretofore have entertained most radical and dangerous doctrines. If labor is to retain the confidence of that large element of our people which affiliates neither with labor organizations, nor capital it must keep men who entertain and formulate un-American doctrines out of its ranks and join with the employers of labor in eliminating this element from the industrial life of our nation."

THE STEEL INDUSTRY-

This is the age of iron and steel. This basic industry is the backbone of modern industrial life. It produces the implements with which we work and fashion the tools to make the necessities of life. Without steel there could be little of our modern luxury and commerce.

The Automobile industry could not exist if not for the Steel production of our country. The Automobile is fashioned out of iron and steel without which the simplest gear could not be made. The interdependence of these two great industries, the Automobile and steel, demonstrates the complications of our modern economic organization.

The United States is the dominant steel producer, producing in 1926 55% of the world's total tonnage, at that time, ninety million gross tons of steel ingots. 1

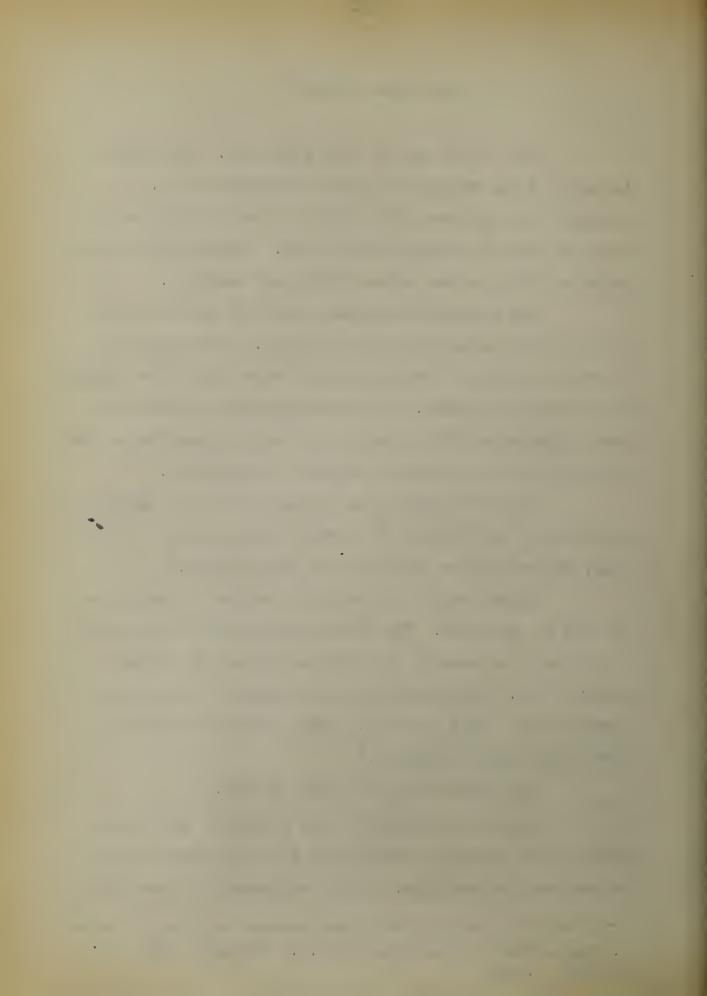
Almost 88% of the country's output is controlled by only 20 companies. The United States Steel Corporation, the largest, is capable of producing 41% of the United States total. The Bethlehem Steel Company is the second largest with a $13\frac{1}{2}\%$ capacity. Other producers have less than a six percent capacity.

The industry employs over 400,000.

In 1901 approximately two thirds of the United
States Steel companies combined to form the present United
States Steel Corporation. Today this company is practically

^{1.} Representative Industries of U.S., Warshow p 329

² Toid p. 330



the industry.

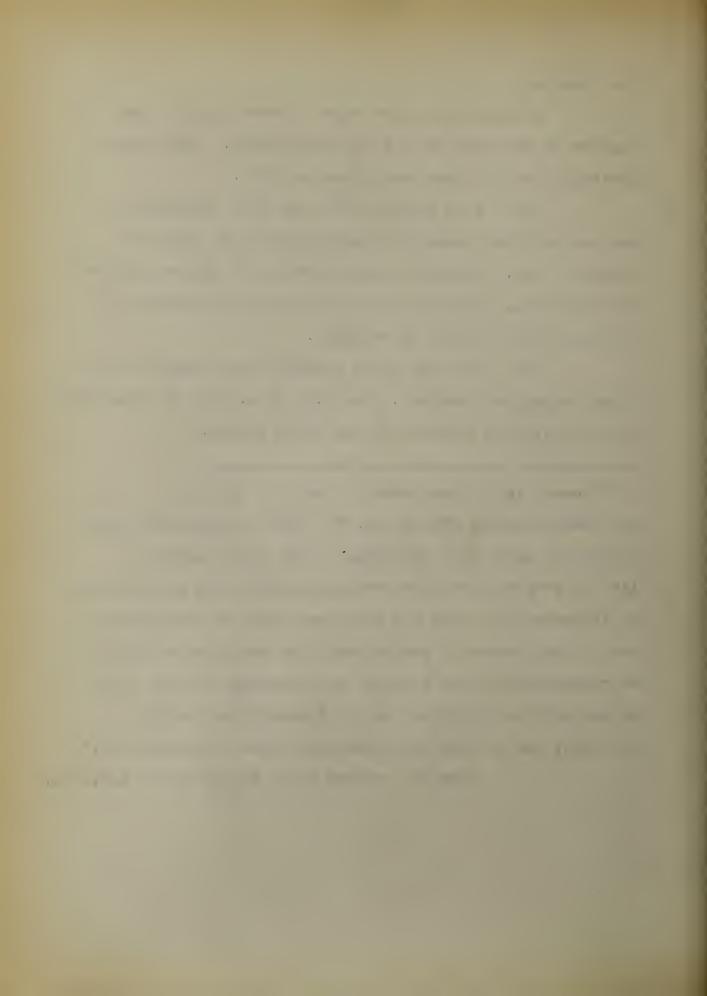
Attempts have been made to break up this huge combine on the basis of the Anti-Trust laws. Newer interpretations of the Laws have prevented this.

Here is an industry that has been dominated by men who have been accused of having hearts of steel and fists of iron. Typically representative of rugged American Individualism, the Steel Industry will not capitulate to organized labor without a struggle.

Into this huge basic industry, the Federation of Labor brings new problems. The A.F. of L. demands recognition and the right to organize in the Steel plants.l

From the printed brief issued by the A.F. of L.

¹ Statement by William Green on the Steel Code at
the hearing before NRA on July 31, 1933 at Washington, D.C.
"Now, Labor makes this challenge to the steel industry:
Let the workers decide for themselves, free from any coercion
or influence, free from the representations of the industry
and if they choose to accept bona fide trade unions and to
be represented by men of their own choosing in these trade
unions, then the employers of the industry must accept
the vote, and if they vote otherwise, Labor will accept it."



THE AUTOM OB ILE INDUSTRY

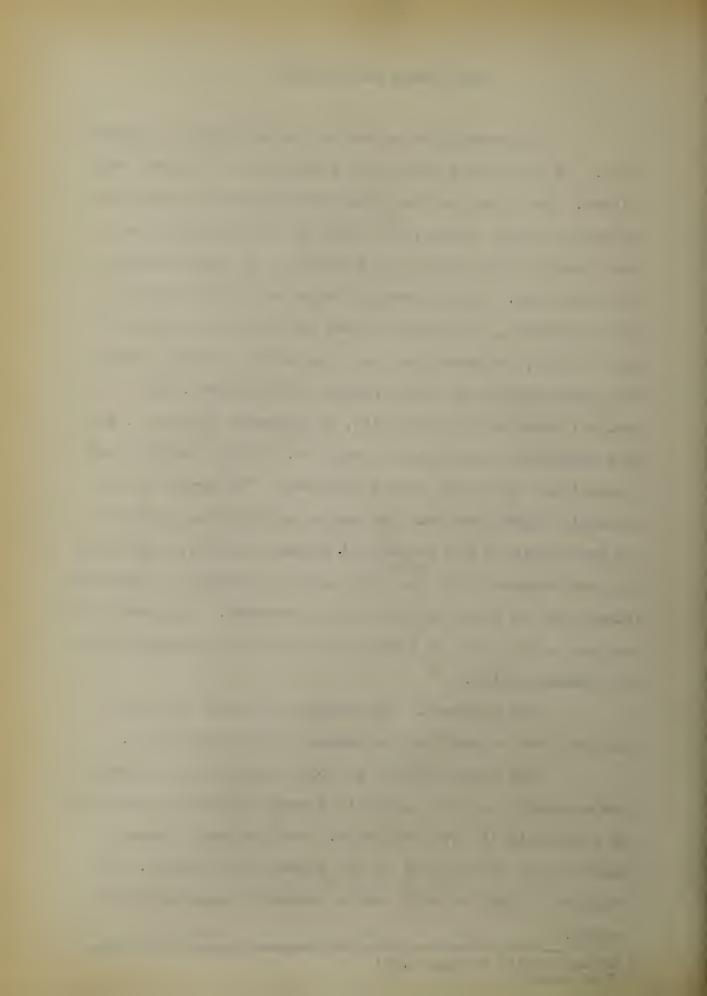
The automobile is one of the essentials of Modern In the United States its influence is of great magnitude. The report of the President's Research Committee on Social Trends states, "To think of the Automobile as a more speedy substitute for the horse is to underestimate its influence. It has greatly increased and dispersed transportation, cut down railroad traffic, especially on short hauls, lessened the isolation of the farmer, aided the consolidation of small schools and churches, has helped, along with electricity, to disperse factories, and has developed a new type of vacation." Under Metropolitan Communities this same report declines. "It cannot be too strongly emphasized that the modern metropolitan community is practically a new social and economic entity, comparable in some respects with the city state of ancient and medieval times, but in other respects unprecendented. The Metropolitan region is the child of modern facilities for transportation and communication." 2

The automobile has changed our mode of living and has created what may be termed a new civilization.

The United States of today could not do without the automobile and the multiple industries engaged directly or indirectly in its production. America cannot prosper unless there is activity in the Automobile industry. Depression in the industry spells economic distress for the nation.

¹ Recent Social Trends p.141

² Tbid p.444



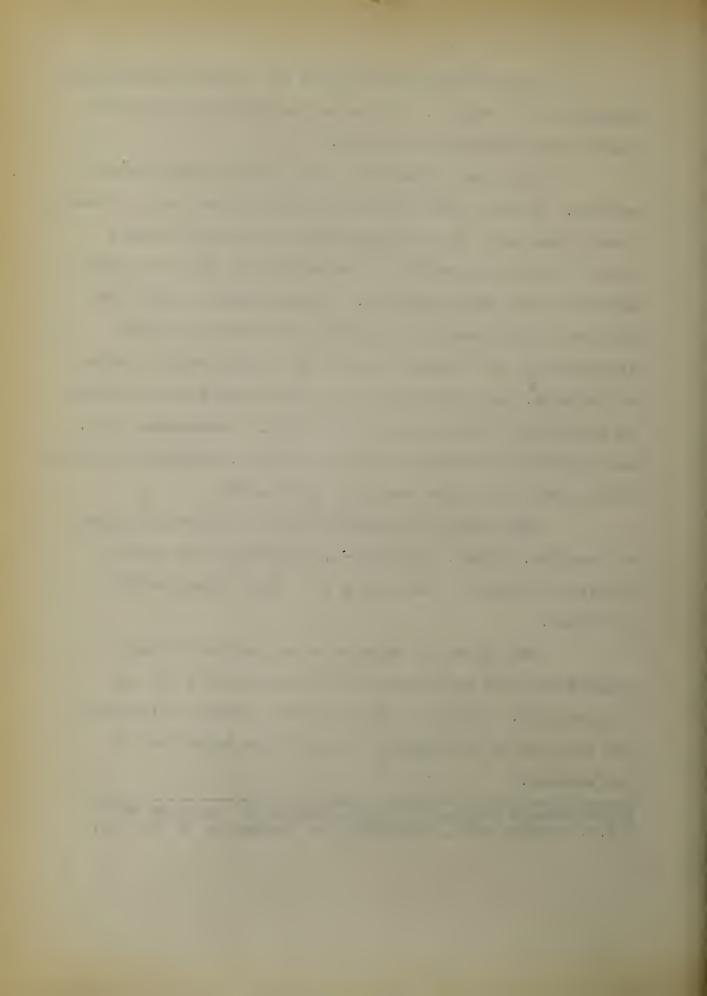
The Automobile industry is the largest manufacturing industry of the nation. Its annual production in 1926 exceeded three billions of dollars.

This giant industry directly employs over 300,000 workers. Without exaggeration it can be stated that indirectly a very large part of our population is gainfully engaged either in the manufacture of the automobile or in vocations dependent upon the automobile. The dependence of American industry upon automobile production is evident from the statistics of the industry issued by the Autobobile Chamber of Commerce. Over two million cars and trucks were produced in the United States and Canada in 1933, a depression year. Quoting from Preliminary Facts and figures, Automobile Industry, during 1933, by Alfred Reeves of the Chamber:

"The Automobile Industry is the largest purchaser of gasoline, rubber, alloy steel, malleable iron, mohair, upholstery leather, lubricating oil, plate glass, nickel and lead".

The number of carloads of automotive freight shipped over the Railroads in 1933 exceeded two and one half million. Statistics from the same analysis illustrate the relation of the industry to all other industries of the country.

^{2 &}quot;Preliminary Facts and Figures Automobile Industry 1933" 1 H.T. Warshow p/72 , Representative Industries of the U.S.



The amounts of materials used by the automobile industry:

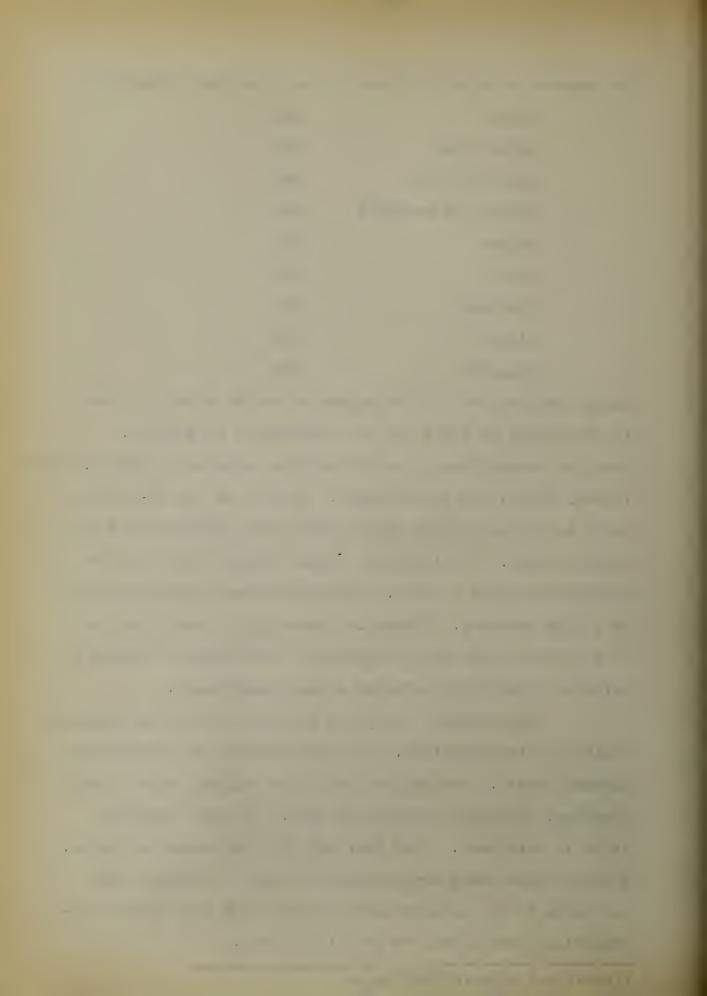
rubber	80%
plate glass	38%
steel and iron	19%
lumber and hardwood	14%
copper	11%
lead	10%
aluminum	25%
Nickel	28%
gasoline	85%

Almost two hundred million pounds of cotton fabric is used in the making of tires for the automobiles of America.

Gasoline consumption by motor vehicles amounted to \$2,227,000,000 (retail value, including taxes). Because of the Automobile there are in the United States over three million miles of highway roads. A billion and a half dollars were paid for road construction in 1933. Such are the vast ramifications of a huge industry. Though not covering in detail the entire field of industrial influence, these figures develop a definite idea of the industry's great importance.

The industry stands as a living tribute to American genius and individualism. It is the product of the American pioneer spirit. The men who built the industry were indeed pioneers, individualists to the core. To them organized labor is repugnant. They fear and distrust organized labor. Whether these fears are justified or not, it remains that the heads of the industry would forego much else before surrendering their plants to the closed shop.

¹ Facts and Figures 1933 (NACC)



The American Federation of Labor is exerting great effort to capture this prize of all American industry.

Future chapters will discuss the A.F. of L. in the industry.



-18-

THE NATIONAL INDUSTRIAL RECOVERY ACT

There can be no doubt that during the depression, labor has suffered. Millions of workers have been ruthlessly thrown out of work. Whatever economic justification there may be for the situation, there can be no justification for poverty and distress coexisting with wealth and comfort in abundance. There is something radically wrong when millions of self respecting citizens are unable to earn their own bread. When men and women, willing and able to work, cannot find work and must suffer deprivation and degradation, something more has to be done than simply pass dividends.

We cannot have a democracy while there is an industrial hierarchy. We cannot have a government of the people, by the people and for the people, when that government is dominated by selfish industrialists. There can be no voice of the people as long as there is dictation by the few.

We are now paying heavy toll for our ignorance of business and economic system. Millions of souls suffer misery and privation because we know so little. We who in 1928 prophesied a golden era of everlasting prosperity came near defeat in economic chaos.

Surely any factor in human life so deeply affecting our existence deserves our intelligent study and cooperation.

In the realm of the economic we are still bewildered. Science

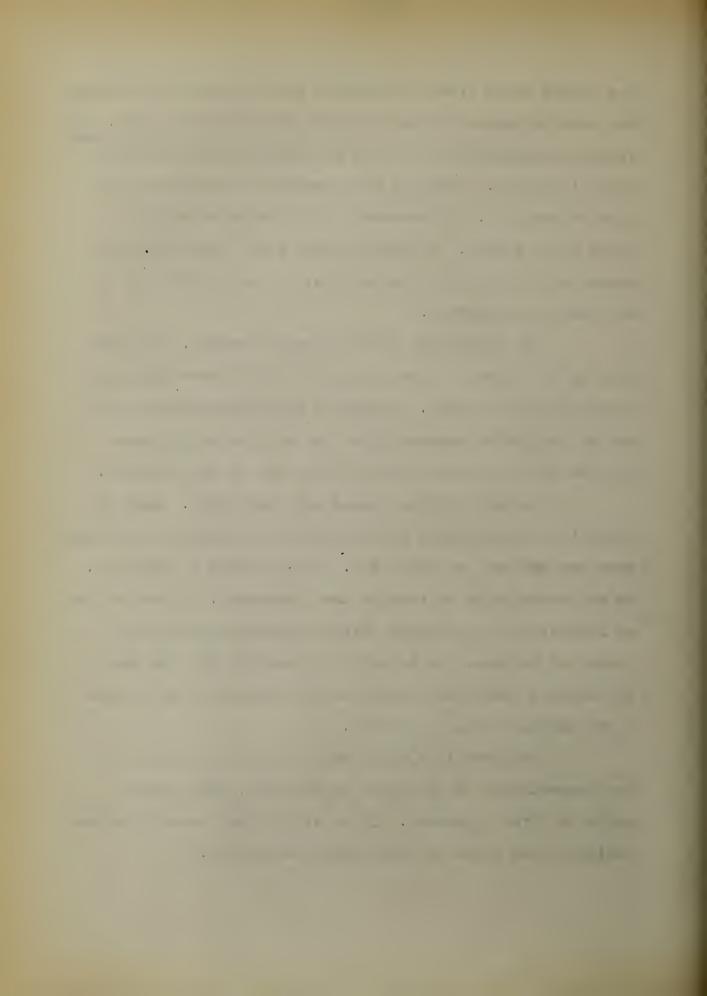


has helped bring order to medicine and the law, but business yet remains immune to human control for the Social good. Decentation depressions come and go leaving ruins that with each visitation. Business and Commerce are bound up with life of humanity. A breakdown in the economic order affects every person. If there is any field that needs research and intelligent exploration, it is the field of business and economics.

The conditions warrant drastic action. The New Deal is the answer to conditions that would have otherwise released hate and fury. Those who cry Bolshevism and Communism had better remember that had not the Crisis been averted they too would have gone the way of the Bourbons.

We have neither turned left nor right. When our Nation's founders wrote the Declaration of Independence they were the radicals of their era. They founded a Democracy. We are endeavoring to restore that Democracy. There can be no Communism in the United States because Americans are lovers of Freedom. To attempt to discredit the New Deal by charging Unamerican ideals to its proponents is to draw a red herring across the trail.

Business is a vital part of our life and if the Ten Commandments do not apply to business, they cannot apply to life in general. If we are to have social justice, business must abide by moral and economic law.



The New Deal has recognized and has properly diagnosed America's ailment, Laissez -faire. Laissez-faire is the cruel license to practice selfishness without regard for God or Man.

If the New Deal has undertaken vast experiments it had no other course. The course is unchartered. Little did Columbus know about lands beyond the horizon but a discovered a great continent. Unchartered routes often lead to great good. The sailors aboard the Santa Maria also cried:
"Whither are we bound?"

Of great social and economic significance designed to get at the roots of industrial problems is the National Industrial Recovery Act of June 1933. If there are mistakes in the Act and in its administration such were to be expected in a huge experiment. With the Act in force we are at least making an attempt to lift ourselves from chaos.

The National Industrial Recovery Act consists of two main sections. Title I deals with industrial recovery, Title II deals with public works and construction projects. We are interested in that section relative to industrial recovery.

The Act created agencies of administration which are known as the National Recovery Administration. The President was empowered to approve codes for individual industries and to license industries if need be. Penalties for violation of code agreements were established.

¹ Public No. 67-73rd Congress (H.R. 5755)



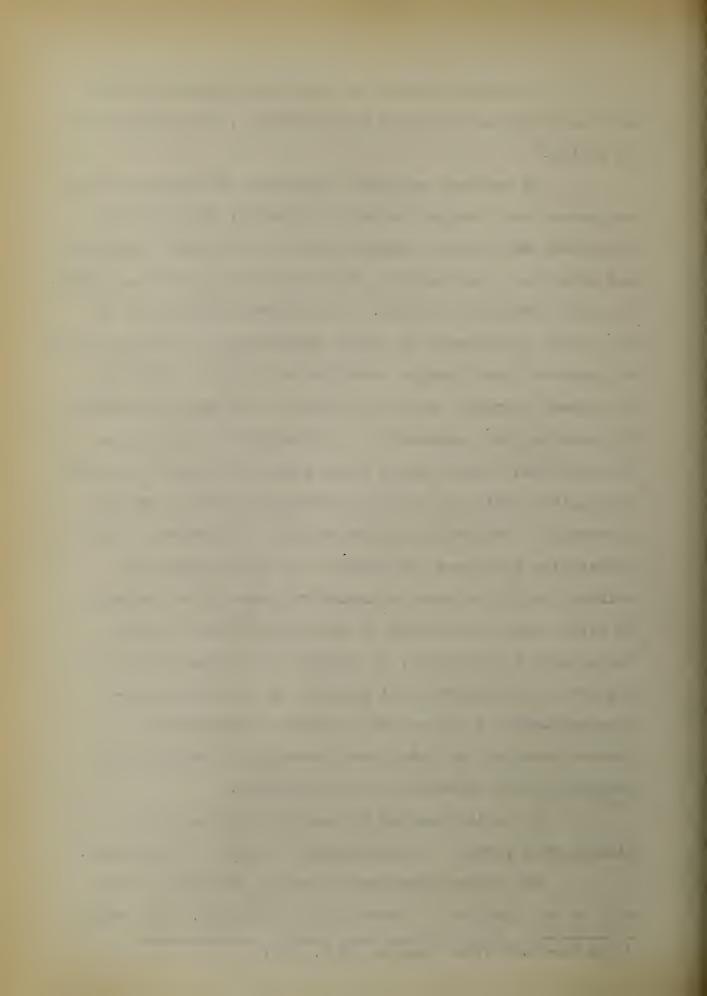
To clearly define the intent and purpose of the act the following is quoted from Section 1, the Declaration of policy:

"A national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the Public welfare. and undermines the Standards of living of the American people. is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof: and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries. to avoid undue restriction of production (except as may temporarily be required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and to relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."

It is interesting to note that business and finance both pleaded for governmental aid and intervention.

The Federal government came to industry's rescue with an Act designed to "rehabilitate industry." As soon

¹ Public-No.67-73rd Congress (H.R. 5755



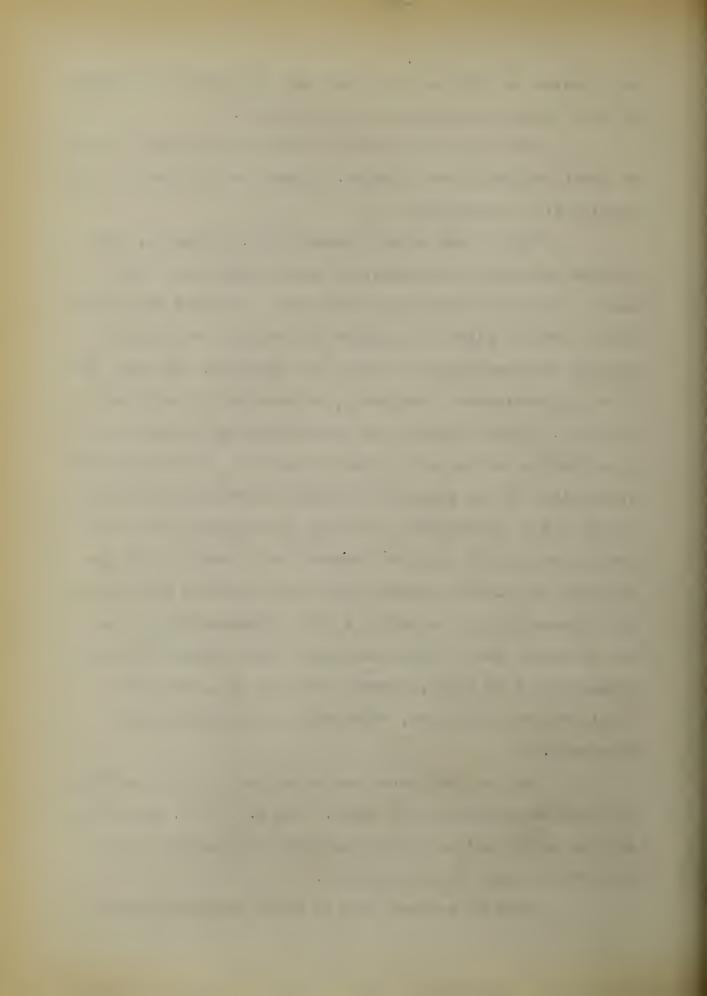
as industry is able to sit up and take nourishment it begins to give orders and complain to the "Doctor."

The famed Section 7(a) of the Act has been a source of great perplexity and dispute. Again quoting from the Act, Section 7(a) stipulated:

"Every Code of Fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions: (1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free of interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President."

The section quoted was taken for its full worth by the American Federation of Labor. The A.F. of L. took this section as authorization and the right to organize and represent all labor in all industry.

Industry assumed that it could organize Company



Unions and prevent the entrance of outside organizations.

This has lead to many disputes and strikes over refusal to recognize the A.F. of L.

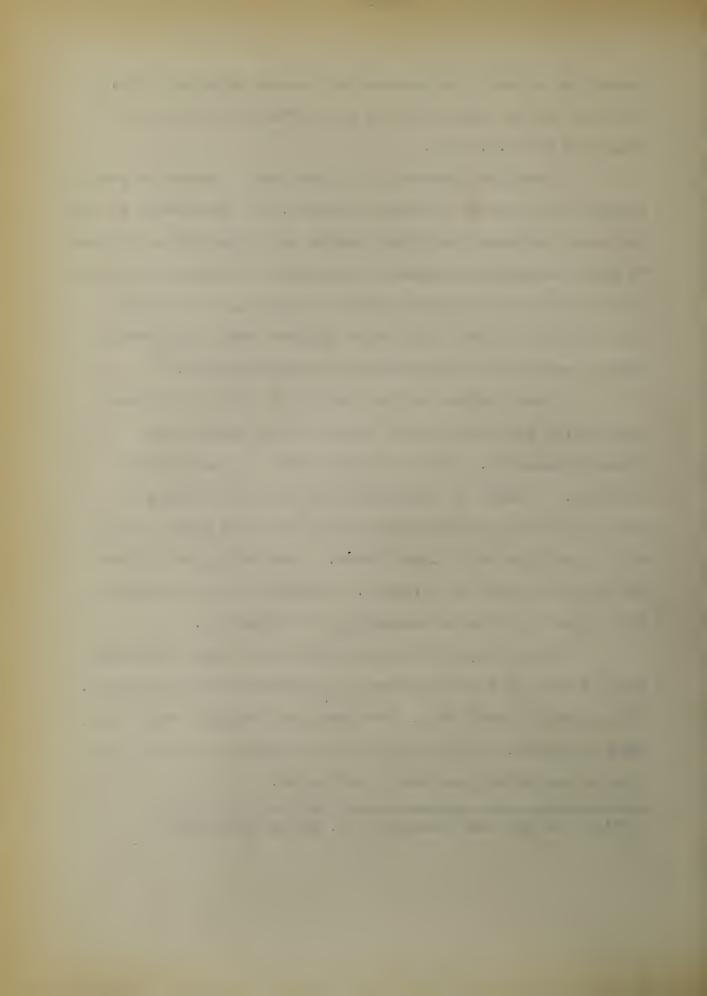
president Roosevelt's intent was to create a partnership consisting of labor, industry, and government as the partners, President Roosevelt states the objective as follows:

"A great cooperative movement throughout all industry in order to obtain wide re-employment, to shorten the working week, to pay a decent wage for a shorter week, and prevent unfair competition and disastrous over-production."

Never before in the history of this country was labor given the place it now enjoys in our social and economic planning. Labor has been given a place in the councils. Labor is represented by the Labor Advisory Board, and had representation on the National Labor Board, and on the Automobile Labor Board. America has recognized the right of labor to organize. Further, it has enhanced that right by giving encouragement and prestige.

Labor has made greater gains in a half year under the NRA than in a half century of agitation and campaigning. Child labor is abolished, sweatshops are banned, hours have been shortened, and the principle of Unionization and collective bargaining has been established.

¹ Primer of New Deal Economics, J. George Frederick



-24-

THE NRA CODES - THE BLANKET CODE 1

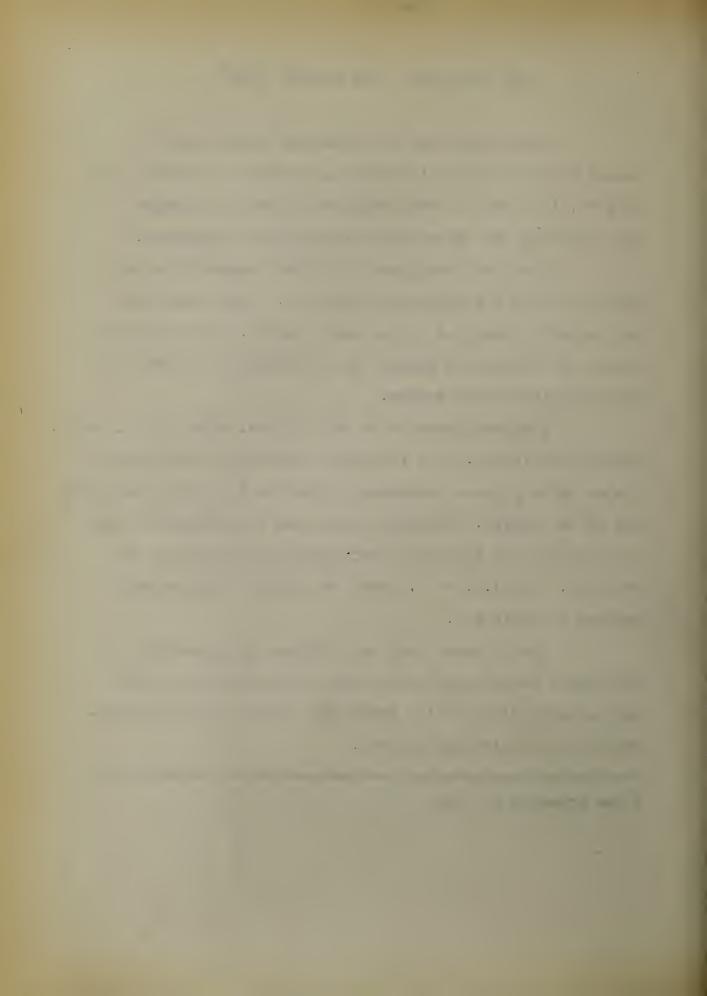
Until such time as individual codes could be formed for the various industries, President Roosevelt on July 27, 1933 sent to each employer of labor a blanket code entitled "the President's Reemployment Agreement."

This code which set up blanket regulations and rules required the employers signature. Upon compliance the employers received a blue eagle emblem. Public opinion fanned by oratory and pageant was encouraged to patronize those displaying the emblem.

With the issuance of this blanket code, the A.F. of L. sprung into action. The President introduced this phase of the Act with personal messages, stressing the partnership that was to be created. Industry, Labor and the Government were to enter into an industrial partnership for the sake of recovery. The A.F. of L. took the cue and inaugurated a program of expansion.

This blanket Code was followed by permanent
Industrial Codes under which Labor and Industry met new
and peculiar difficulties which will receive further treatment in the following chapters.

¹ See appendix for code is



CODE OF FAIR COMPETITION AUTOMOBILE MANUFACTURING INDUSTRY Labor Provisions

The Automobile Code provides that employees be compensated at the following hourly rates:

in cities having 500,000 population or over 43ϕ

in cities having 250,000 population and less $41\frac{1}{2}$ 0 than 500,000

in cities or towns having less than
250.000 population

40¢

The minimum wages of office and salaried employees covered hereby shall not be less than the following weekly rates:

in cities having 500,000 population or over at the rate of \$15.00 a week.

in cities having 250,000 and less than 500,000 population, at the rate of \$14.50 a week.

in cities or towns having less than 250,000 population at the rate of \$14.00 a week.

Hours: The Industry adopts an average forty hour week and continues plan of spreading out work.

Child labor is abolished

Under Section 7(a) Labor is given the right of collective bargaining.

However, the automobile manufacturers won one point which may permit circumvention of the collective bargaining



principle. A clause was added to section 7a in the Automobile Code which reads, "Employers in the industry may exercise their right to select, retain, or advance employees on the basis of individual merit, without regard to their membership or non membership in any organization."

As is very evident, here is a loophole. Yet the 2
Industry retains a right that is inherently American.3

"Now I contend that it is both poor sportsmanship and indefensible conduct to come here to the Administrators of the Industrial Recover Act and argue with them as well as propose that there shall be included in the codes of fair practice the proposals Congress rejected when offered by the representatives of manufacturers! interests."

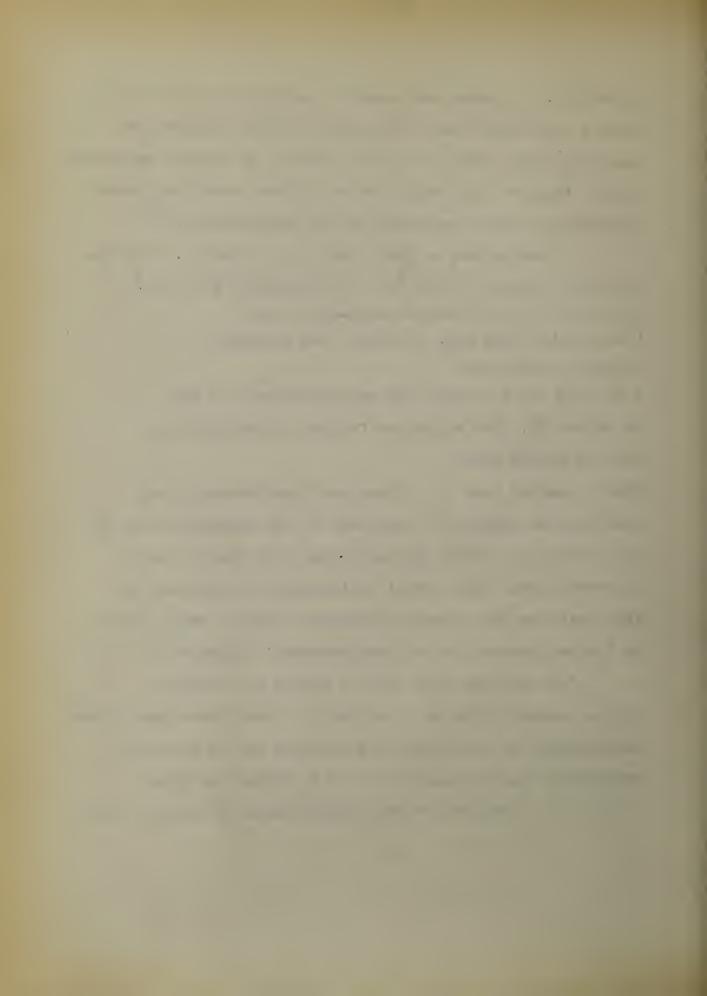
"If the open shop section should be included in this code, it appears to me that it should have been first incorporated in the Industrial Recovery Act as passed by Congress. It has no place now in this Industrial code."

From the printed brief issued by the A.F. of L.

¹ Automobile Code Aug. 26,1933 ... See appendix

² Right of contract

³ William Green at the Code hearing before the NRA on August 18, 1933 argued as follows concerning this section of the Code:



CODE OF FAIR COMPETITION IRON and STEEL INDUSTRIES Labor provisions

Labor: Employees have the right to organize for collective bargaining and may not be compelled to join company unions. Plants have a right to employ non Union as well as Union workers. Child labor is prohibited.

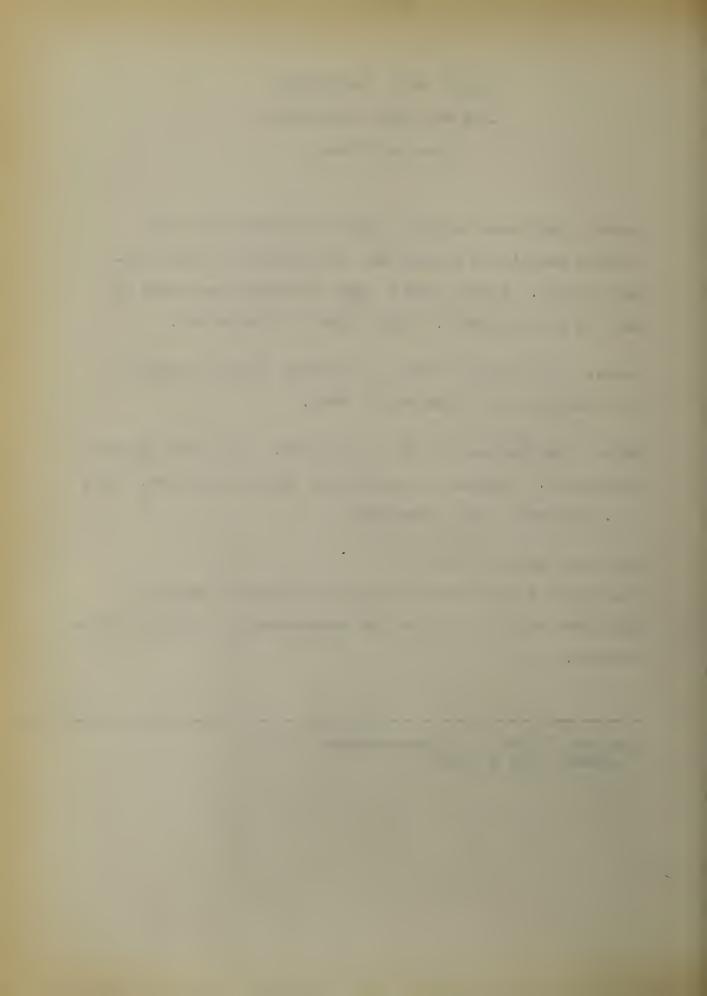
Hours: The industry adopts an average forty hour week and continues spreading out of work.

Wages: An increase of 15% is provided. Piece work wages readjusted. Minimum for unskilled: 40% an hour (Pa. Ohio, Ill. Colorado) 27%, Birmingham

Amendment May 31, 1934:

Government to provide and supervise elections whereby employees may select their own representative without interference.

¹ August 19 1933 See appendix Amended May 30,1934



THE TRIAL OF STRENGTH

Since adoption of the Codes, a great trial of strength has been going on between labor and capital. The American Federation of Labor, is intent upon organizing the workers. Capital is equally intent to keep them out.

The attitude of labor is well expressed by the following statements made by William Green, President of the American Federation of Labor:

"We do not want battle. We prefer peace. And if the great employing interests of the nation, the great financial barons who rule so much of industry—those who have authority—will sit with us tomorrow in a great national conference in which all shall be determined to agree upon that which is, in the common judgment best for America, we will withdraw every utterance of militancy. We will command no mobilization, we will perfect no plans for combat. I can with authority and assurance say that for all labor."

Another statement:

"We shall fight. We shall choose our weapons and our time. We shall determine our tactics. Our opponents did not consult us as to time and tactics when they reduced wages and threw millions into the street. Today we consult only workers and we plan to keep our own council." 2

¹ Nation's business, May 1934 p. 72

² Ibid



-29-

THE COMPANY UNION 1

The Industrial leaders have carried on a hard battle. Pamphlets and flyers have been distributed to employees and newspaper advertisements have carried full page articles sponsored by the National Automobile Chamber of Commerce which represents all the major automobile manufacturers except Henry Ford whose strategy has been silence and defiance. Advertisements in the Detroit Free Press stated: "To get what they want regardless of what you (worker)want the American Federation of Labor is using its usual weapon, namely- a threat to call a strike."

"Unasked and unwanted, the American Federation of Labor is now trying to get control of this Industry and destroy what we have taken years to build. This industry does not intend to yield to such unAmerican and unpatriotic procedure."

3

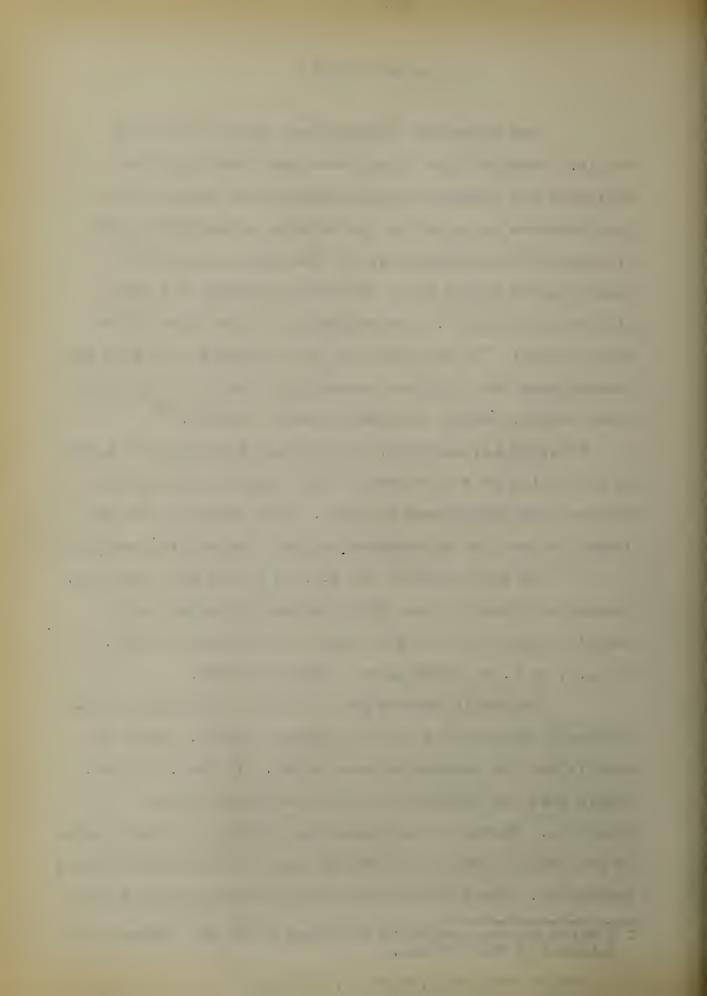
In the meanwhile the A.F. of L. has not been idle. Thousands of workers have been enrolled as members and a campaign carried on to equal that of the industrialists.

The A.F. of L. is maintaining a powerful lobby.

Industrial leaders may or may not be guilty of influencing employees to vote for company unions. Proof of such is not the purpose of this thesis. It does, however, remain that the government has had to conduct several elections. Whether or not employees prefer the Company Union or the Outside Union, the Company Union is the Industrialists preference. The American Federation of Labor believes that

¹ A Union for the company's employees under the control and guidance of the company.

²⁻³ Detroit Free Press, March 20, 1934 p.13



it should represent labor and that Company Unions are not representative of Labor.

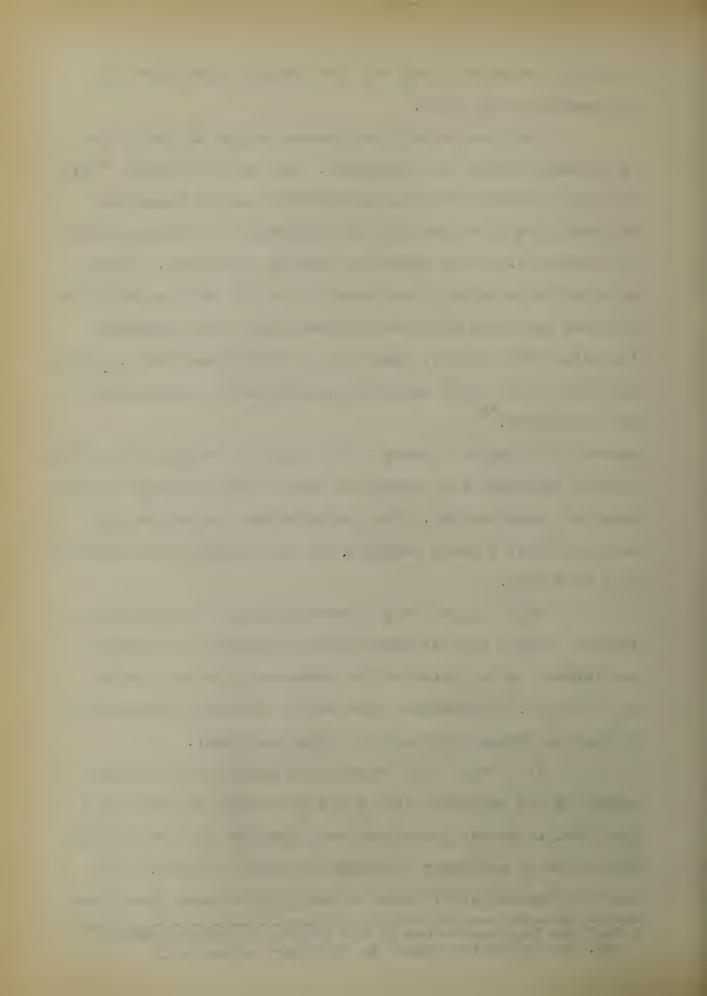
The plan of employee representation in the plants of Chrysler Motors is interesting. The stated purpose "This is a plan which provides an opportunity for the employees to have an equal voice with the management in deciding jointly all matters affecting wages and working conditions. First; to establish a mutually satisfactory way of settling any differences which may arise between employees and management including rates of pay, shop rules, working conditions, safety, hours of labor, plant sanitation, employee's transportation and recreation.

Second: To provide a means of friendly and lasting cooperation between employees and management on the basis of mutual confidence and understanding. The plan provides for nominations and elections, a joint council, for arbitration, and independence of action.

While the motives of management may be honest and sincere, such a plan of representation practically leaves the laborer at the mercy of the management for enforcement of decisions. Furthermore, the worker distrusts management as much as management distrusts organized labor.

It is unfair to entrust the welfare of the worker solely to his employer, and to ask the worker to abide by a plan that in no way guarantees that disputes will be settled other than by arbitrary discharge of those involved. The American Federation of Labor is keenly aware that these Com-

¹ Employee Representation in The Plants of Chrysler Motors Oct. 1933 (Booklet issued by Chrysler Motors, N.Y.)



pany Unions serve to prevent the effectual organizing of labor.

The company Union is an obstacle to the A.F. of L. and this the Federation realizes. If workers choose the company union by an election, the A.F. of L. suffers a loss of power, prestige, and influence. The industrialists have seized upon the Company Union plan as a means of frustrating unionization by the A.F. of L.1

labor was quoted as saying: "The question as to whether a strike in the Automobile industry involving more than 100,000 workers shall or shall not occur on Wednesday morning, March 21st, rests with the automobile manufacturers. Their decision will decide the question. The cause of the strike is directly traceable to the attempt of the automobile manufacturers to impose company unions upon their workers and to force them to accept."

Advertisement of the National Automobile Chamber of Commerce, Detroit Free Press, Tuesday March 20,1934,p.13

To this charge the NACC replied: (same advertisment)

"There is only one fundamental issue here, namely:

Whether the automobile industry is to be run by the

A.F. of L. or any other outside union; Whether you have to

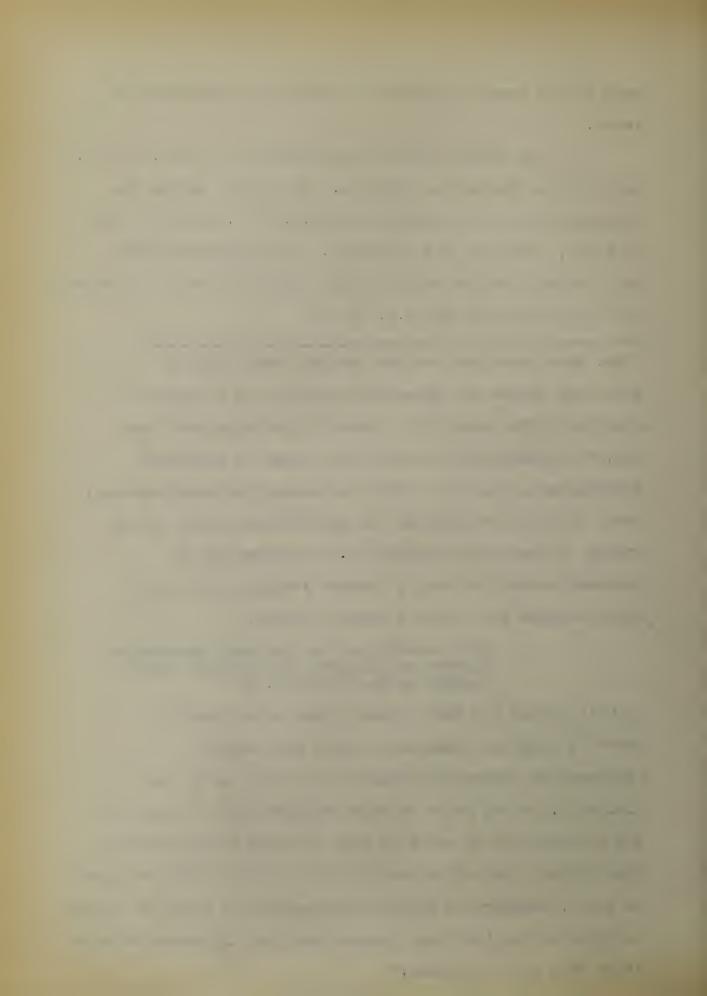
get a union card in order to work in these plants; Whether

your job and your advancement in the industry will be based

on merit; Whether the employee representative shall be ousted

in favor of outside labor leaders who have interests to serve

other than your interests."



PARTICIPATION OF THE A.F. OF L. in the

ADMINISTRATION OF THE NRA
The Various Boards

The Labor advisory board was created to assist the Administration in its labor problems. The A.F. of L. has won enhanced prestige by having a voice in the planning and execution of policies. On the board are:

Dr. Leo Wolman, Economist, Columbia University

John Frey, Metal Trades Dept., A.F. of L.

Jos. Franklin, President International Boiler Makers Union

William H. Green, Pres. A.F. of L.

Sidney Hillman, Pres. Amalgamated Clothing Workers

Father Francis Haas, Catholic Welfare Council

Rose Schneiderman

The National Labor Board whose decisions we will later review was created August 5, 1933. The Federation here, too, was well represented. Quoting from the booklet of the Board under discussion of the Board's creation: "The National Labor Board was created on August 5, 1933, by Presidential appointment, on the basis of a joint appeal from the Industrial and labor advisory Boards of the National Recovery Administration. The President's announcement stated: "This joint appeal proposes the creation of a distinguished tribunal to pass promptly on any case of hardship or dispute that may arise from interpretation or application of the

¹ Decisions of the National Labor Board Aug. 1933-March 1934



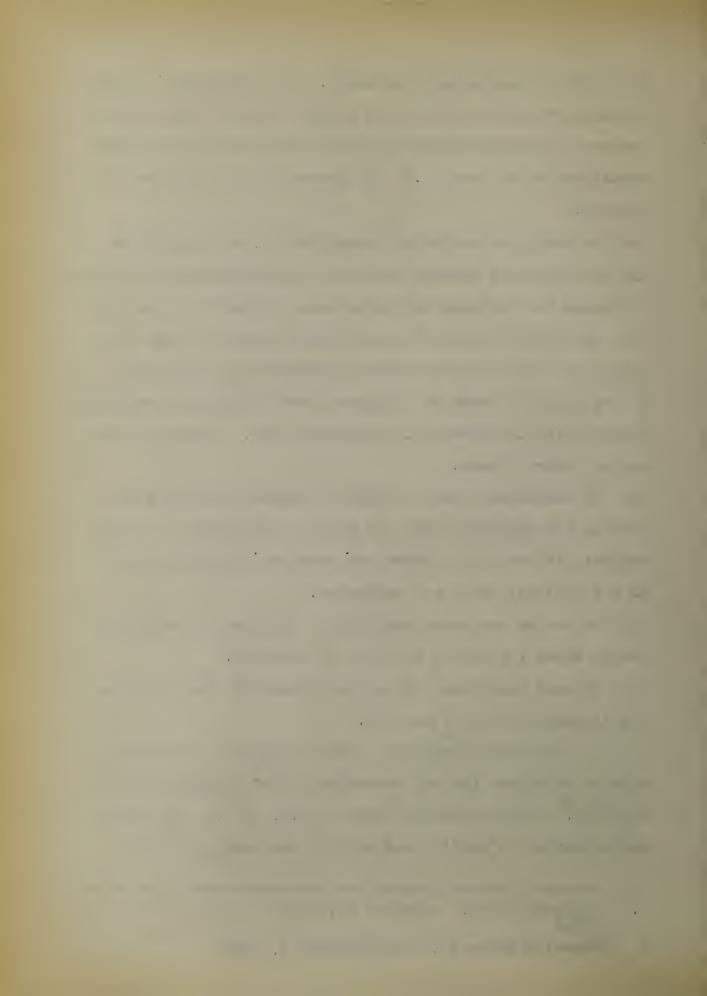
President's reemployment agreement. The advantages of this recommendation are plain and I accept it and hereby appoint the men it proposes whose names will carry their own recommendation to the country." The powers of the board are as follows:

- (a) To settle by mediation, conciliation, or arbitration all controversies between employers and employees which tend to impede the purposes of the National Industrial Recovery Act; provided, however, the Board may decline to take cognizance of controversies between employers and employees in any field of trade or industry where a means of settlement, provided for by agreement, industrial code, or Federal Law, has not been invoked.
- (b) To establish local or regional boards upon which employers and employees shall be equally represented, and to delegate thereto such powers and territorial jurisdiction as the National Board may determine.
- (c) To review the determinations of the local or regional boards where the public interest so requires.
- (d) To make rules and regulations governing its procedure and discharge of its functions.

In later orders the Board was given authority to conduct elections for the determination of representatives of labor. (either Company Union or A.F. of L.) The Board was empowered to certify and publish the names of those

^{1.} Executive order. December 16, 1933 #6511

² Fxecutive order No. 6580, February 1, 1934



representatives elected. The Board was further ordered to report cases of non-compliance to the NRA Compliance Board. The Board at its discretion was empowered to make appropriate recommendations to the Attorney General in cases of interference during elections conducted by the Board and in cases of non-compliance to the Boards decisions.

Regional Boards were created in twenty different sections with impartial chairmen.

The members of the National Labor Board include representatives of the A.F. of L. Following are the names of those now on the Board:

Senator Robert F. Wagner, Chairman

Clay Williams

Dr. L.C. Marshall

Henry S. Dennison

Ernest Draper

Pierre S. DuPont

Louis E. Kirstein

Walter C. Teagle

George L. Berry

William Green (President A.F. of L.)

Dr. Francis J. Haas

John L. Lewis (A.F. of L.)

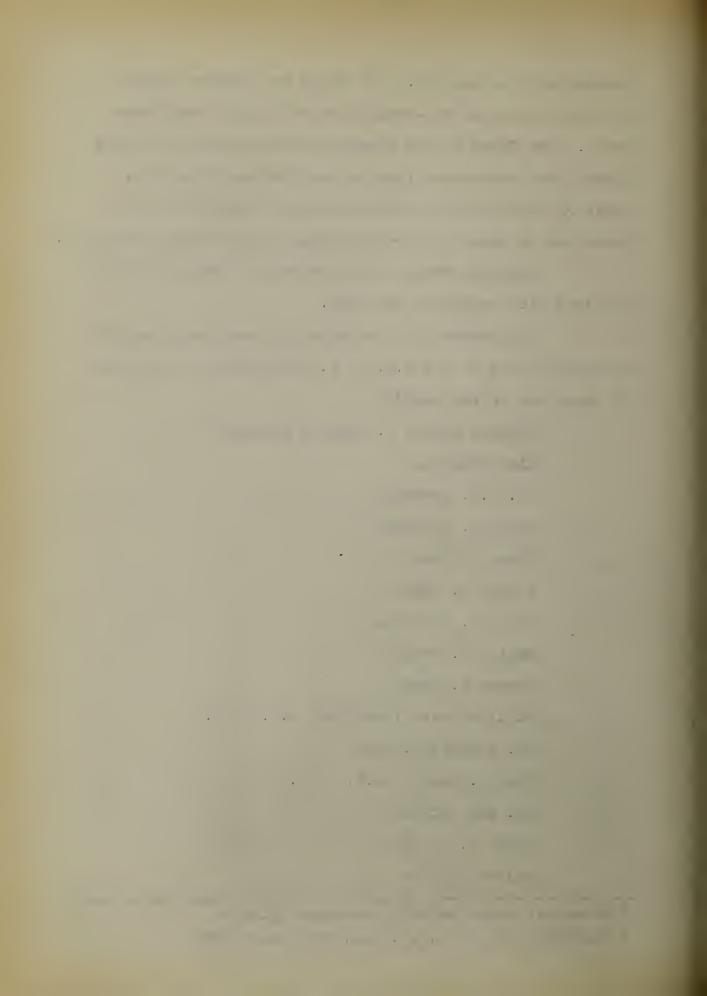
Dr. Leo Wolman

Jesse I. Miller

Milton Handler

¹ Executive order No.6612A February 23,1934

² Decisions of the N.L.B. Aug. 1933-March 1934



In later chapters we shall discuss the position of the American Federation of Labor as affected by the Decisions of the National Labor Board.

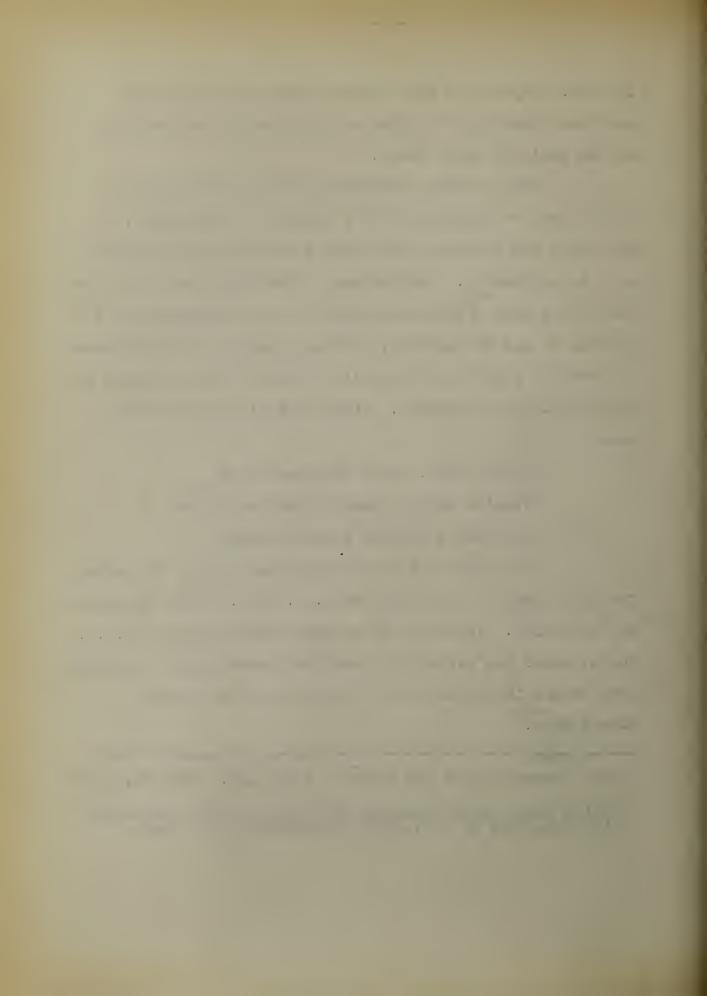
When a crisis threatened in the Automobile Industry and the possibility of a strike was very great, a new board was created to meet the acute situation which we will later take up. The National Labor Board, was unable to settle the many disputes arising from the interpretations of Section 7a and on March 27, 1934 as a part of the settlement affected by President Roosevelt a board of three members was created to sit at Detroit. Those appointed to the Board were:

Richard Byrd, labor Representative
Nicholas Kelly, Industry Representative
Leo Wolman, Neutral Representative

The purpose of this chapter has been to illustrate the gains made by labor and the A. F. of L. in the councils of the nation. There can be no doubt that under the N.R.A. Codes, labor has gained in a few short months more influence than it has in the previous fifty years of strike and campaigning.²

¹ For further detail see page 45 (NRA Adm. Order No. X-11)

² Child labor abolished, sweat shop banned, hours shortened, the principle of collective bargaining established.



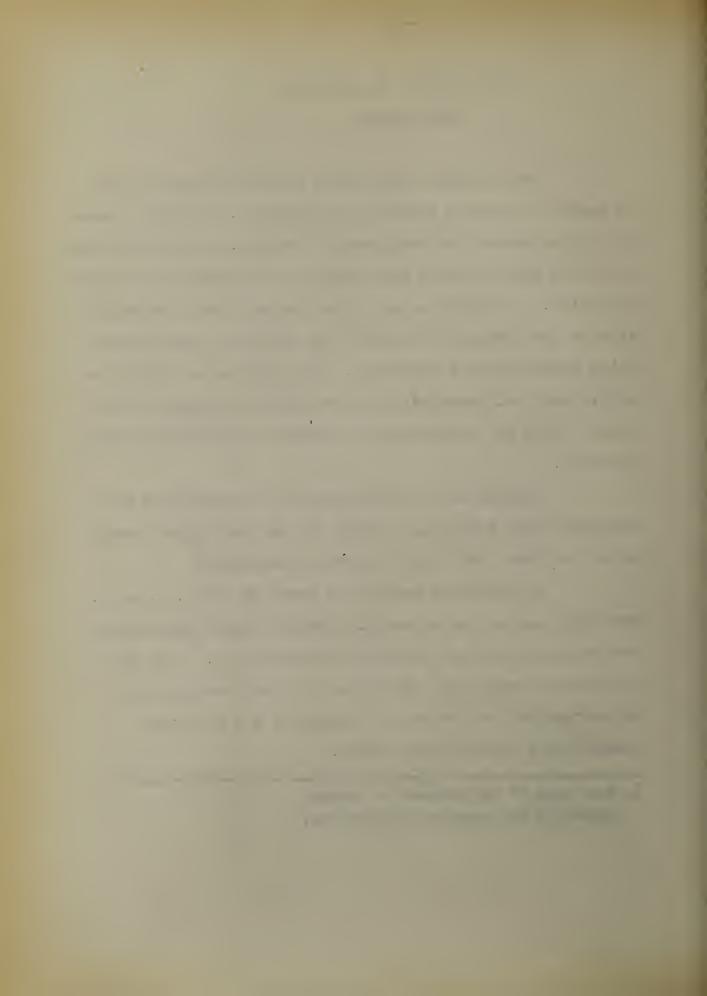
DECISIONS OF THE NATIONAL LABOR BOARD

The National Labor Board was handicapped in that it could not readily enforce its decisions. For this reason its effectiveness has been greatly reduced. In its decisions the Board would order a new election to determine the representation. Interference with the elections and non compliance by the companies required long drawn out legal action which aggravated the situation. The Creation of the Automobile National Board with its new policy of impartiality to all forms of representation lowered the National Boards prestige.

Regardless of the outcome of the elections the Companies have been able to defy the National Labor Board which has been powerless to enforce compliance.

If elections decided in favor of the A. F. of L. the Steel company or Automobile Company simply disregarded the outside union and refused to recognize it. Thus far no effective means has been found by which recalcitrant industrialists can be made to comply to N R A rulings promptly and without legal delay.

^{1.} See page 37 for Summary of cases, Appendix for complete statements.



SUMMARY OF SEVERAL CASES AND DECISIONS

National Labor Board

(1) Case: Edward G. Budd Mfg. Co. and United Automobile 1
Workers Federal Union #18763

The Company refused to recognize the Union
On Nov. 14, 1933, 1500 hundred workers went out on strike.

The Board ruled:

- (1) that strikers return to work
- (2) that strikers be reinstated
- (3) that a new election be conducted under Boards decision.
- (2) In the Matter of Houde Engineering Co and United Automobile
 Workers Federal Labor Union #18839²

The Company refused to recognize the Union and to comply with Section 7(a)

The Board ruled that an election be conducted and supervised by the Board to provide for employee collective bargaining.

(3) Matter of the Republic Steel Corp. and Raimud Red Ore
Local #121 and Blast furnace Division local #137 of the
International Union of mine, Mill and smelter workers,

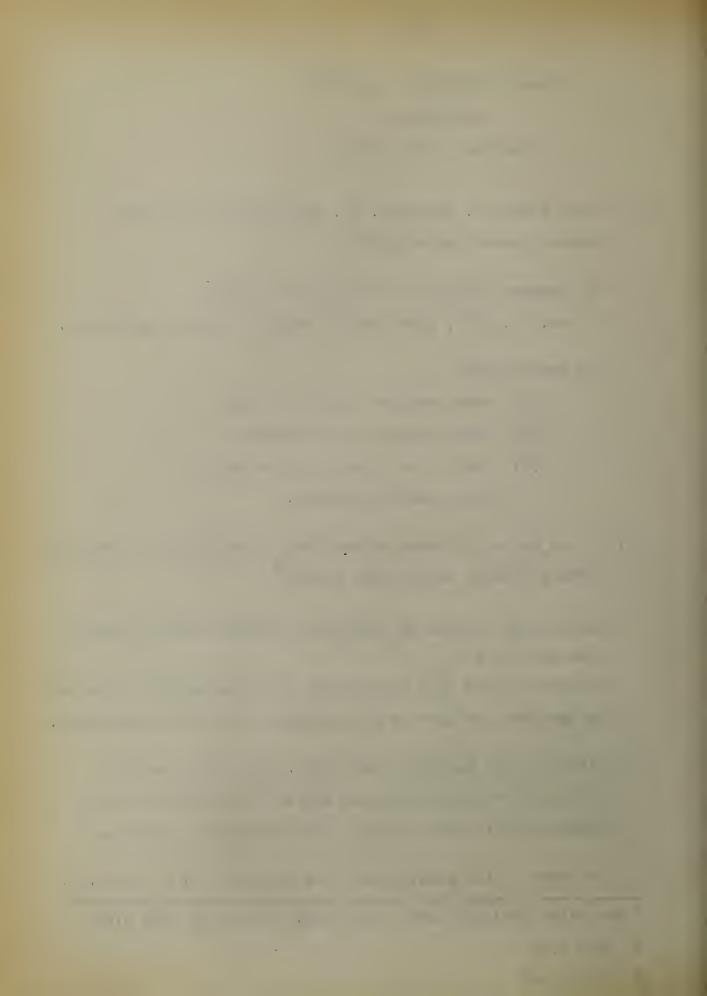
The Board ruled substantially as in cases No. 1 and No. 2.

¹ Decisions National Labor Board Aug. 1933-March 1934 p.58

² Ibid p.87

⁵ Ibid p.88

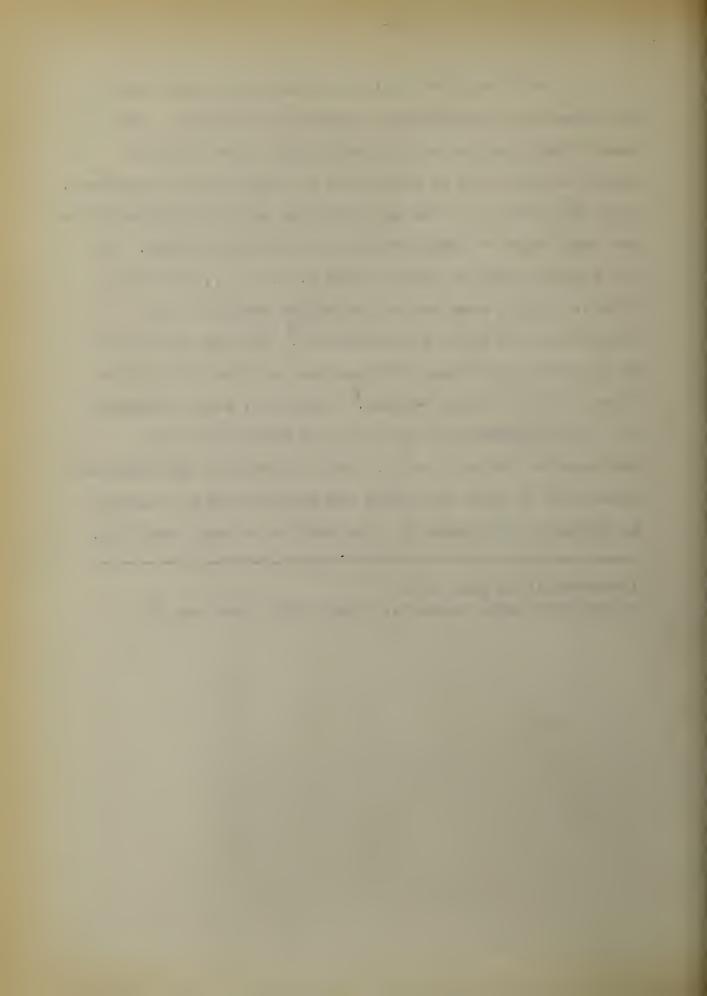
See appendix for full statements of cases - V.



As heretofore stated, the National Labor Board was powerless to effectively enforce its decisions. The Board simply got as far as stating that a new election should be held, and in some cases it conducted the elections. As to the results of the new elections and the Industrialists non compliance to these results, it could do nothing. If the workers voted in favor of the A. F. of L., the Industrialist simply made use of the simple device of not recognizing its union representative. All the Board could do in face of such open defiance was to refer such violations to the Attorney General. Obviously, such a weakness in the enforcement of the law could work only to the detriment of the A. F. of L. For this reason, the American Federation of Labor has urged the Administration to create an authority with power to make Section 7a mean something.

¹ Weirton Steel Case, p. 68

² Mandatory under executive order 6612A (See page 34)



THE A.F. of L. UNDER THE NRA AUTOMOBILE INDUSTRY

If there has been any progress for the A.F. of L. in the Automobile Industry it has been won by bitter contest. The Federation has not found the Industrial leaders of Detroit wanting in resistence.

own prerogatives and to run his own business. Ford has not signed the Industry's Code. Nevertheless he is subject to it and may be penalized for violations. Because he has not signed the Code his bids on United States Government contracts have not been accepted. Because his bids are the lowest, the government has been unable to accept bids made by other automobile producers. Nevertheless Henry Ford has been penalized and he cannot sell his product to the Government.

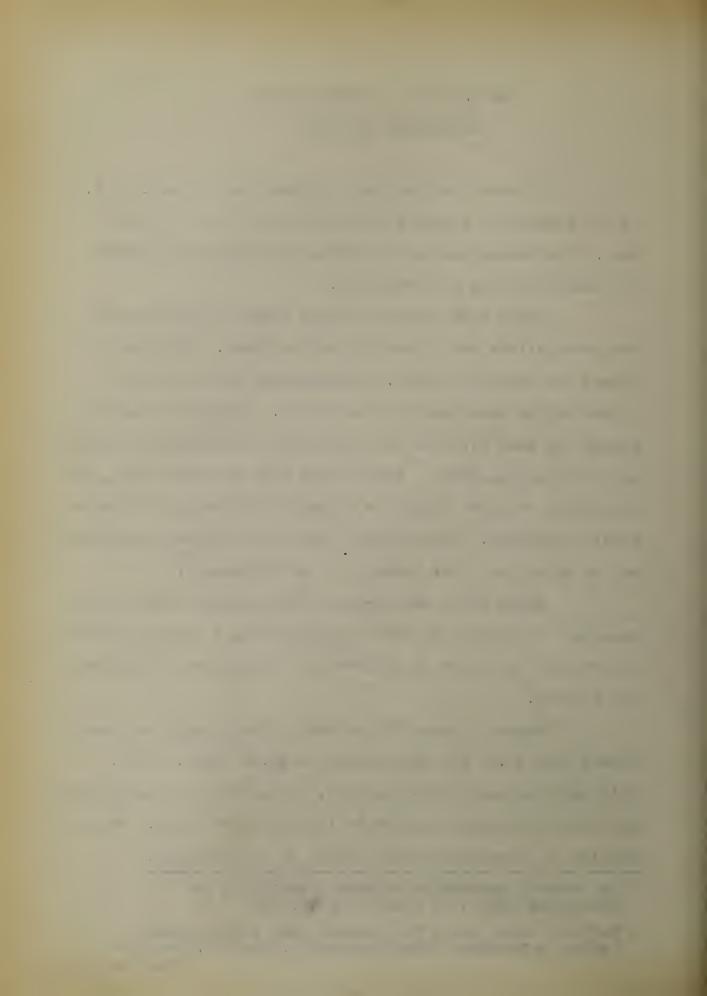
While other manufacturers have entered into strong campaigns of propaganda Ford has maintained a strange silence and has been a source of aggravation to both organized labor and the NRA.

Wages of about 25% of Henry Ford's employees were raised from \$4.00 per day minimum to \$4.80 (Sept. 1933).

This affected some 10,000 workers. This scale of compensation was better than that offered by the Industry's Code. Ford was willing to do everything but submit to Unionization.

¹ The Federal government rejected Ford's bid for Ambulances (New York Times, May 22, 1934

² Northern Motor Co., a Ford agency, lost suit brought against government. (Washington, D.C. Sup. Ct.) New York



At the Edgewater, N.J. Assembly plant over 500 employees got an American Federation of Labor Charter for local No. 18,613 of the United Automobile Workers Association. When this local will be recognized by Henry Ford no one can fortell. Thus far he has safely defied the Administration. Mr. Ford is the essence of American individualism.

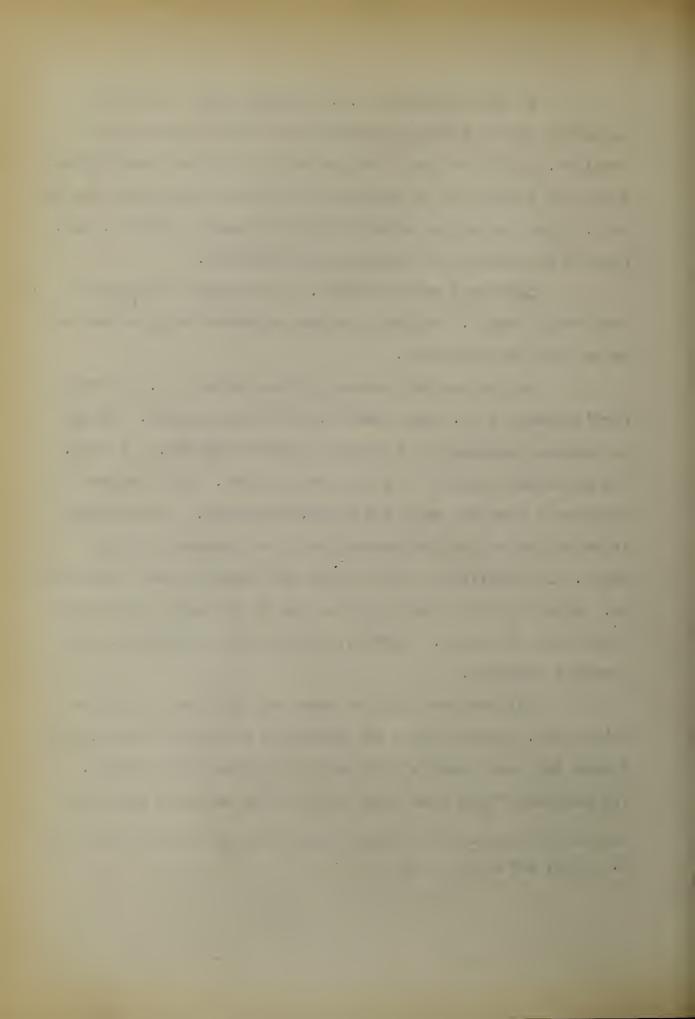
Labor has been militant. It has been inclined to over reach itself. Capital has been stubborn and promises to be no less in the future.

During October several strikes broke out. At Henry Ford's Chester, Pa. plant some 3,000 workers struck. Owing to seasonal slackness the workers earned only \$16.00 a week. The plant was operated for four days a week. The strikers demanded a five day week and a \$25.00 minimum. The strikers attempted to enlist the sympathy of Ford Workers at Edgewater. In retaliation Ford closed the Chester Plant indefinitely. Nothing in the NRA or in the law of the land could force Henry Ford to reopen. In Ford, Labor finds a stubborn, and powerful opponent.

Strikes and disputes broke out all over the Automobile map. During March the factories of Buick, Hudson, and
Fisher Body were scenes of dispute and threatened strikes.

The magazine Timel from which much of the sequence has been

^{1.} Time, March 26, 1934



obtained aptly states: "Two things made the strike threat dangerous as dynamite: (1) The American Federation of Labor has set its heart on unionizing a great open shop motor industry. With automobile Manufacturers heading into their best season in years and profits definitely in sight, Labor's bargaining position was all but ideal. Now if ever the Automobile companies could be forced to recognize the A.F. of L. under pain of strike at the peak of production.

(2) No less firmly braced were the heads of the automobile industry against allowing their business, whatever the cost, to fall into the clutches of organized labor. With them, too, it was now or never to stand and fight the A.F. of L. Left to themselves both sides would certainly have forced a showdown, for each was fighting for a huge stake. But a third party also had a huge stake in the struggle. For the Administration a shut down of the automobile industry, its prize child of recovery, would be a severe blow. The strike question became a three-cornered battle in which the administration might give aid and comfort to either side provided a showdown could be prevented."

To the A.F. of L.'s demand for a 20% wage increase and union recognition the National Automobile Chamber of Commerce replied with data showing:

- (1) that hourly wages are as high as in 1929.
- (2) That weekly earnings are 90% as high
- (3) That living costs are only 83% as high
- (4) That it would advise a cut in hours from 40 to 36 hours a week.

¹ March 1934, Automotive Daily News , Friday, March 16, 1934



-42-

Independently Ford announced in reply that the \$5.00 minimum for all workers would be restored.

Clearly the American Federation of Labor's case
was based on the desire to capture the industry. The question
of pay did not enter into the dispute. Open shop or closed
shop was the point.

William S. Knudsen, Vice President of General Motors issued the following statement which seems to clearly represent the attitude of the Industry: "We are willing upon proof of the authority of the (A.F. of L.) Union to negotiate for specified employees and to meet with their representatives and discuss questions of hours and employment and wages, together with systems of payment. We are not, however, willing to recognize said Union as such, nor enter into any contract with it on behalf of our employees."

The National Automobile Chamber of Commerce issued a statement which said in part: "The Industry does not intend to recognize the A.F. of L. as such, nor to enter into any contract with it on behalf of its employees."

Here was a situation that challanged the NRA

Administration and called for extraordinary measures. Two
giants in opposition, the A.F. of L. and the Automobile

Industry were poised for a decisive struggle. When the zero
hour for the strike approached President Roosevelt summoned
both sides to Washington. Five days were required to settle
the various differences. William Green and William Collins

¹ Time, March 26 1934 p.11

² Tbid p.12

³ March 21, 1934



of the A.F. of L. represented Labor. Alfred P. Sloane,
Alvan Macauley, Walter P. Chrysler, Charles N. Nash, Roy D.
Chapin, represented Industry.

The settlement reached is discussed in pages which follow.

1. The Automobile Labor board



-43-

THE AUTOMOBILE LABOR BOARD

The creation of this Automobile Labor Board may be mere patchwork until some definite machinery is set up.

The President declared...," we have chartered a new course in Social engineering."

What was accomplished may be summarized by stating:

- (1) that the unemployment of over 200,000 in Detroit was avoided.
- (2) that a shut down of the industry at a peak was avoided.
- (3) that the loss of over \$1,000,000 a day in wages was avoided.
- (4) that a serious economic set back in our recovery was avoided.

The A.F. of L. won a foothold in the Industry but the price paid was a declaration by the U.S. Government that the A.F. of L. is favored no more than any other Union. Whereas the A.F. of L. wanted control of the Industry's workers, it merely obtained a foothold. Industry won the right to prevent the Closed shop. A.F. of L. union members have the right to bargain through A.F. of L. leaders but ignoring the Labor Board's decision whereby only the majority was represented, this plan permits each group to have representation. No one group has sole right of collective bargaining.

1 See Principle 2 page 46 for explanation



-44-

The government established a new impartiality between Plant Unions and outside unions. "The Government makes it clear that it favors no particular Union. The government's only duty is to secure absolute and uninfluenced freedom of choice without coercion, restraint, or intimidation from any source."

NRA release dated March 27, 1934 announced the creation of Board with the following statement. Particular attention is directed to point number 4 under "principles of settlement:"

National Recovery Administrator Hugh S. Johnson today announced the appointments of Richard Byrd, Pontiac, Mich., labor leader, Nicholas Kelly, Chrysler Motor Car Corporation official, and Dr. Leo Wolman, chairman of the NRA Labor Advisory Board to the members of the Board of Three "to pass on all questions of representation, discharge and discrimination" in the automotive industry.

Dr. Wolman will be the neutral member of the Board and as such, is charged in Administrator Johnson's order, to call the first meeting of the Board in the office of State NRA Compliance Director in Detroit, Mich., not later than 7 p.m., Wednesday, March 28.

The Board was named by the Administrator in accordance with the agreement offered by President Roosevelt to and accepted by representatives of employers and employees in the industry on March 25 and the Board's activities are to be governed by the "Principles of Settlement" set forth in that agreement.

^{1.} Administrative order No. X-11 NRA...see page47, No.4



The text of the Administrator's order is as follows:

ADMINISTRATIVE ORDER

No. X-11

ESTABLISHING A BOARD OF THREE IN THE AUTOMOTIVE INDUSTRY

"By virtue of authority vested in me as Administrator for Industrial Recovery and pursuant to Paragraph 3 of the agreement set forth below entitled "Principles of Settlement" offered by the President of the United States to and accepted by the representatives of the employees and the employers in the automotive industry in Washington, D.C., March 25, 1934, I hereby order as follows:

"A Board of Three is hereby established in the automotive industry.

"The following are appointed as members of this Board:

Richard Byrd Labor Representative

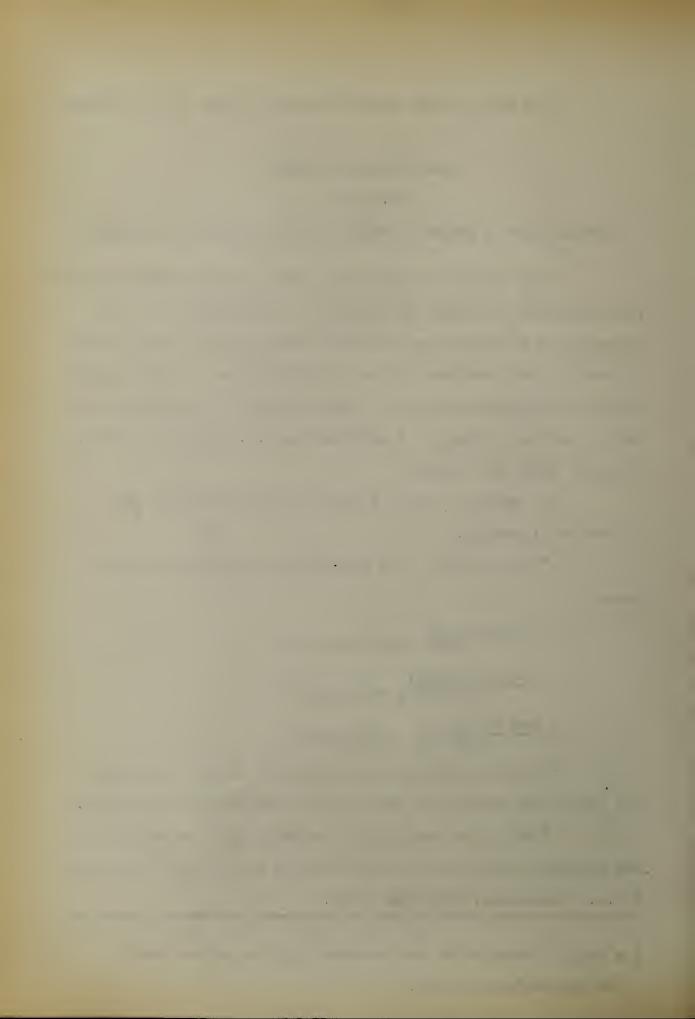
Nicholas Kelly
Industry Representative

Leo Wolman Neutral Representative

"The Board will meet in Detroit at the office of the State NRA Compliance Director for the State of Michigan.

"The first meeting of the Board will be called by the Neutral Representative in the above office not later than 7 p.m., Wednesday, March 28, 1934.

¹ A copy of this order was received by the author from the NRA, Washington, D.C.



"The Board will be governed by the following statement of procedure and principles:

"PRINCIPLES OF SETTLEMENT"

"Settlement of the threatened automobile strike is based on the following principles:

- "1. The employers agree to bargain collectively with the freely chosen representatives of groups and not to discriminate in any way against any employee on the ground of his union labor affiliations.
- "2. If there be more than one group each bargaining committee shall have total membership pro rata to the
 number of men each member represents.
- "3. NRA to set up within twenty four hours a board, responsible to the President of the United States, to sit in Detroit to pass on all questions of representation, discharge and discrimination. Decision of the Board shall be final and binding on employer and employees. Such a board to have access to all payrolls and to all lists of claimed employee representation and such board will be composed of,
 - (a) A labor representative
 - (b) An industry representative
 - (c) A neutral

"In cases where no lists of employees claiming to be represented have been disclosed to the employer, there shall be no basis for a claim of discrimination. No such

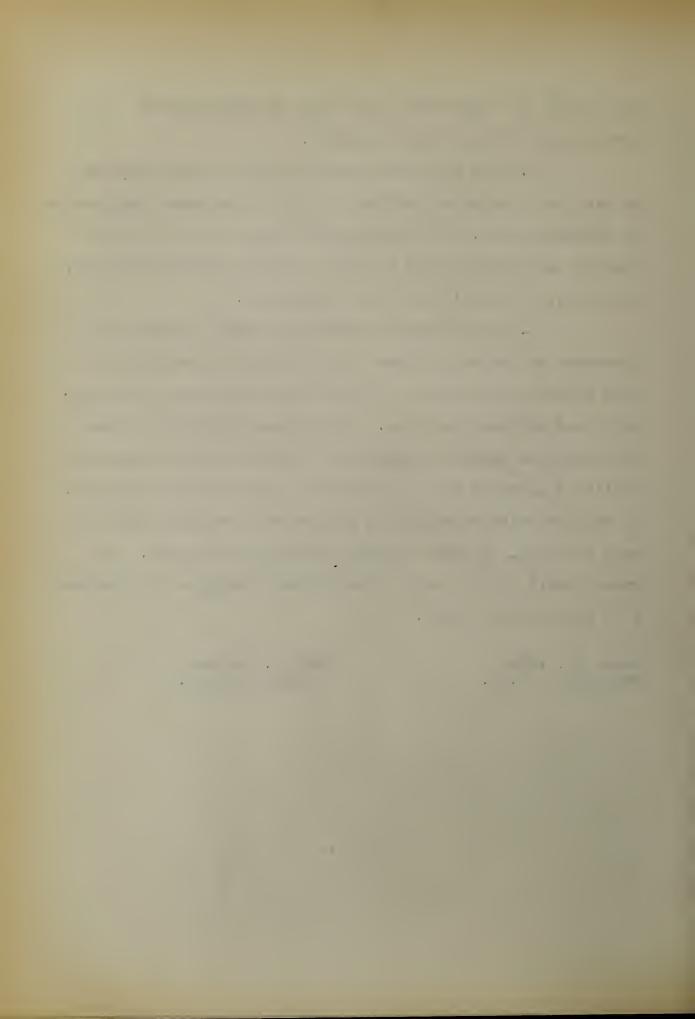


disclosure in a particular case shall be made without specific direction of the President.

"4. The government makes it clear that it favors no particular union or particular form of employee organization or representation. The government's only duty is to secure absolute and uninfluenced freedom of choice without coercion, restraint, or intimidation from any source.

increases of force such human relationships as married men with families shall come first and then seniority, individual skill and efficient service. After these factors have been considered no greater proportion of outside union employees similarly situated shall be laid off than of other employees. By outside union employees is understood a paid-up member in good standing, or anyone legally obligated to pay up. An appeal shall lie in case of dispute on principles of paragraph 5 to the Board of Three."

March 27, 1934 Washington, D. C. Hugh S. Johnson Administrator."



It is interesting to analyze the attitude of Dr. Wolman who is the Board's Chairman. He is a labor man, was for years economic advisor to the Amalagmated Clothing workers. He believes in Industrial (Vertical) Unions and is naturally opposed to the A.F. of L. form of organization.

Upon convening this statement was issued by the board:

"Rules of evidence will not bother us. We will let the men tell their stories in their own words."

"In order to avoid friction there should not be any solicitation for membership in either unions or company representation plans during working hours."

Ahead of the Board were strikes involving thousands of workers. The A.F. of L. received no satisfaction from the Automobile Board in the form of an opportunity to either accept or reject a decision. The Board conducted its hearings tactfully and without haste.

The position of the A.F. of L. in the Industry was affected greatly by the policy of the board evident in its statement on Lay-off and rehiring:

"In the last few weeks several substantial layoffs of workers have taken place in various plants of the
industry. From information which the Board has received, it
appears probable that further substantial lay-offs are likely
to occur shortly. In view of problems that have arisen already in recent lay-offs, and of the probability that similar

¹ May 18, 1934

The National Automobile Board sent a copy of this statement to the author upon request.



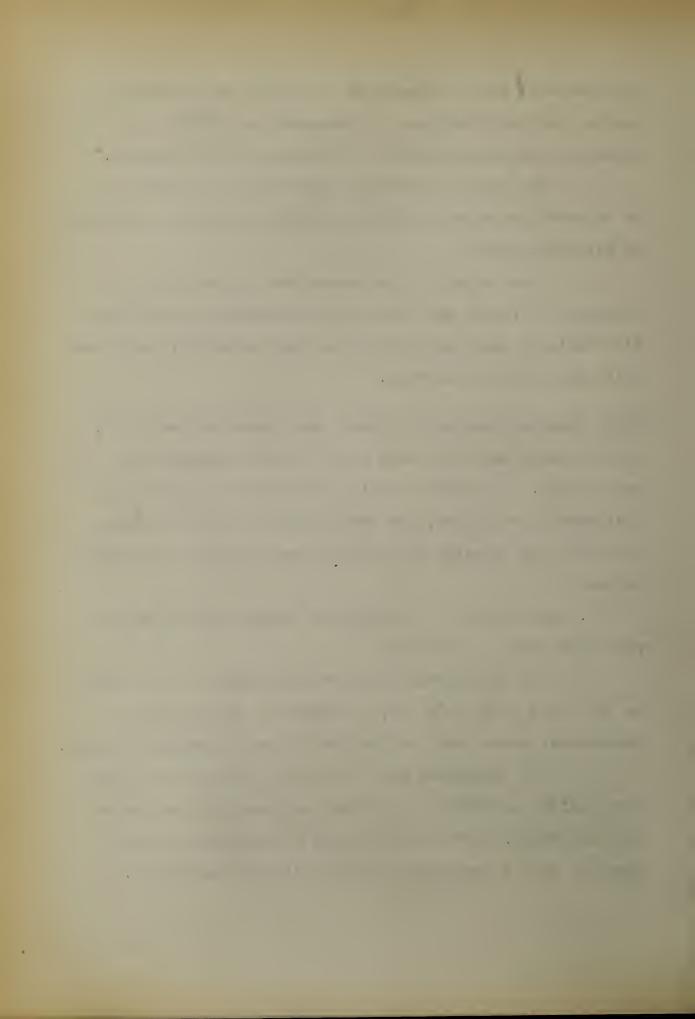
problems will arise in one form or another in the near future, the Board believes it necessary to clarify the procedure and administration of lay-offs in the industry."

"The general principles under which lay-offs are to be made are stated as follows in the President's settlement of March 25, 1934:"

"The industry understands that in reduction or increases of force, such human relationships as married men with families shall come first and then seniority, individual skill and efficient service."

"While these principles are clear, many detailed questions, some of which could not have been foreseen, already have been raised. In order to avoid confusion in applying the President's principles, the Board announces the following rules for the industry to follow in reducing and increasing forces: "

- "1. When there is a decrease of force, the following procedure shall be observed:
- (a) Employees hired after September 1, 1933 shall be the first to be laid off, irrespective of marriage or dependency, unless they fall within class (d) mentioned below.
- (b) Employees next to be laid off shall be those hired before September 1, 1933 who are unmarried and with-out dependents, except in the cases of employees of long service, and of employees in class (d) mentioned below.



"(c) Employees next to be laid off shall be those hired before September 1, 1933 who are married and those who have dependents.

In each of classes (b) and (c) employees of less service shall be laid off before employees of longer service; service to be determined on a yearly basis.

- (d) Employees whose work in the judgment of the management is essential to the operation of the plant and production, or who have received special training or have exceptional ability, may be hired, retained or returned to work notwithstanding the provisions of clauses (a) (b) and (c) and of paragraph 2 below."
- "2. When there is an increase of force, members of classes (c) shall be returned to work before members of class (b), except in case of members of class (b) of long service, and members of class (b) shall be returned to work before new people are hired. In each class employees of longer service shall be returned before employees of less service. The terms of clause (d) above are intended, among other things, to provide for the establishment of the line as operations begin."
- "3. Length of service shall be determined as from the date of employment in the plant, or similar plants of the same employer, rather than by length of employment in the group, department, or on any job."

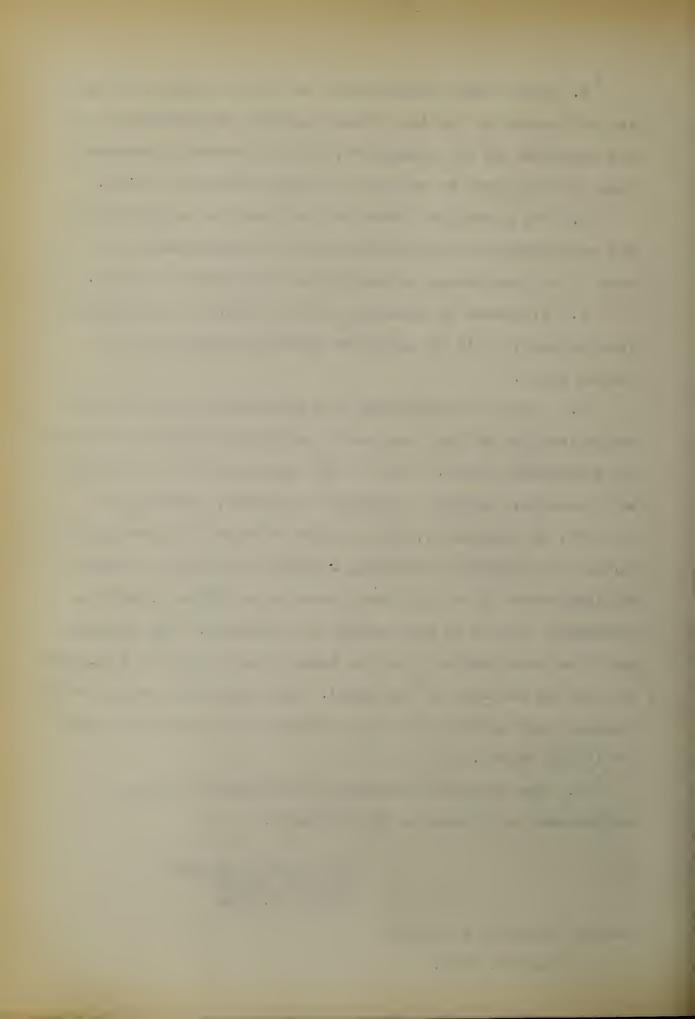
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- "4. Where other things above set out are equal, the skill and efficiency of the individual employee, as determined in the judgement of the management, shall determine preference both in being kept at work and in being returned to work."
- "5. The principles above set out shall be applied with due consideration of the differences in classifications of work in various groups of operations performed in a plant."
- "6. All cases of discharge or quitting, as distinguished from lay-off, shall be indicated clearly as such and the reason given."
- "7. The task of applying this procedure in carrying out the principles of the President's Settlement involves the use of considerable data. Each of the employers in the industry will therefore prepare, previous to lay-off, schedules of lay-off, by department, group or job affected, indicating in detail the employees retained, together with list of cases falling within class (d), and those to be laid off, and the pertinent records of both groups of employees. Any schedule shall be made available to the Board promptly upon its request for use in the work of the Board. The Board will return to the employer any schedule after the occasion for the Board's use of it has passed."
- "8. The Board will establish such further rules as experience shall prove to be necessary."

LEO WOLMAN, Chairman NICHOLAS KELLEY RICHARD L. BYRD

Dated: Detroit, Michigan

May 18, 1934.



There can be no doubt that the American Federation of Labor overreached itself and forced the issue to its own disadvantage. True it has gained a foothold but at the sacrifice of the Administrations preference which it was understood to have.

In one phase of the battle the A.F. of L. has won a distinct victory. The Electric Autolite Company, mamufacturers of electrical equipment for the Automotive industry had denied its employee's demands for:

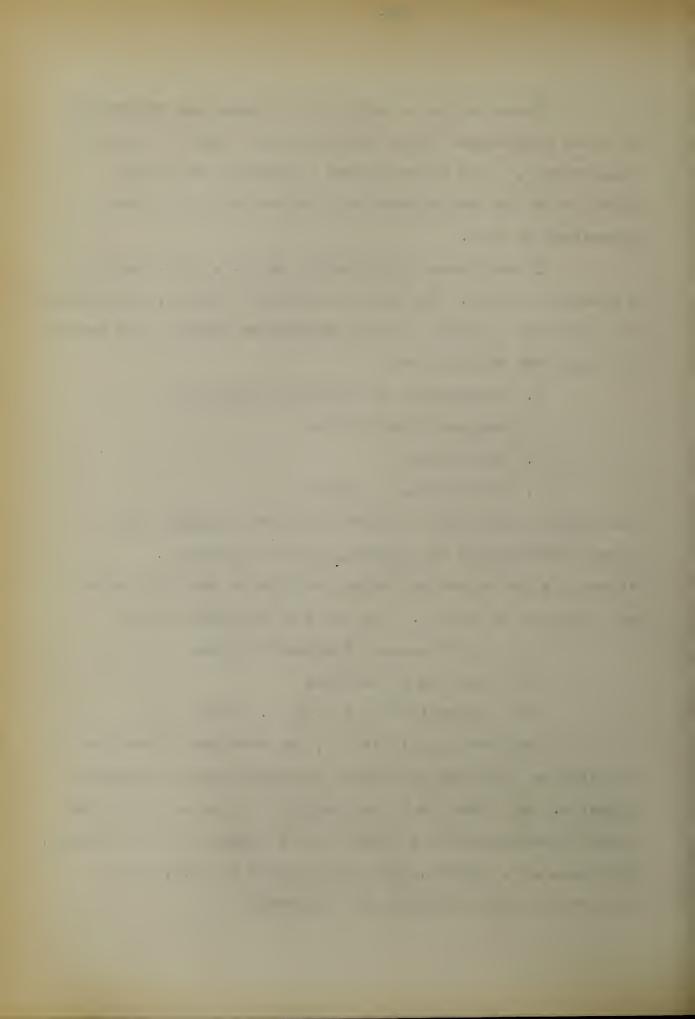
- 1. Recognition of the United Automobile
 Workers Federal Union
- 2. Closed shop
- 3. 20% increase in wages

The workers struck and a bloody and bitter struggle took place necessitating the calling out of the militia.

Ultimately the Auto-Lite Company suffered a thorough defeat and the Union a victory. The terms of settlement were:

- (1) a five percent increase in wages
- (2) rehiring of strikers
 - (3) recognition of A.F. of L. Union

Considering all factors, the American Federation of Labor has not made very great progress in the Automobile Industry. But there is no denying that it has made progress toward unionization of a large body of workers in the industry. This does not, however, spell the success the A.F. of L. desires and which it might have attained.



THE A.F. of L. UNDER THE NRA STEEL INDUSTRY

The Steel Industry is no less firm in its opposition to unionism than is the Automobile Industry. The strategy of the Steel Industry is to play a quiet protracted game with PRACTICE the forces working against it. The age old of tiring its opponent by long drawn out controversies is again being resorted to. There is little justification in the belief that Unionism will win in the outcome.

Lest their captive mines provide an entering wedge into the industry, the Steel men at first balked at recognizing the United Mine workers. Compromising, the steel men agreed to pay Code wages and to abide by code agreement. This they did to placate the workers and to obtain a better public opinion. Full recognition of the Union was not forthcoming. With the Compromise affected Union leaders called their men back to work. The men were rebellious and it was apparent that the A.F. of L. cannot control the situation in a crisis.

The A.F. of L. got as far as the Steel Coal Mines but it has been very unsuccessful in the attempt to Unionize the Plants.

Not since 1919 has the A.F. of L. attempted to Unionize the Steel Companies. The Amalgamated Iron, Steel, and Tin Workers Union boasts of a membership over 100,000.



-54-

However, it is to be remembered that it is much easier to obtain membership signatures than to collect the membership dues.

How bitter the battle is may be appreciated by reading these statements:

Unionist leader Mike Tighe stated: "There is no question of backing down. The workmen themselves decided it....We have no choice but to carry out their orders." 1

Back fired Tom M. Girdler, President of the Republic Steel Corp.: Before I spend the rest of my life dealing with William Green, I am going to raise apples and potatoes...we are willing to deal with our own employees. We are not going to deal with the Amalgamated or any other professional Union, even if we have to shut down." 2

When the Steel Code came up for Renewal the A.F. of L. demanded a closed shop clause. The President promised:
"I will undertake promptly to provide, as the occasion may demand, for the election by employees in each Industrial unit of representatives of their own choosing for the purpose of collective bargaining and other mutual aid and protection, under the supervision of the appropriate governmental agency." 3

This satisfied the A.F. of L. little. It was promised the same in the Weirton Steel case only to suffer a severe defeat in a Federal Court.

The Union did not wish the risk of election

¹⁻² Time, June 11, 1934 p.16

³ Thid

⁴ See page 68



-55-

which might not result to its advantage. It wanted recognition and a closed shop. This the President had never before given and he could not begin with the Steel Industry.

Why the A.F. of L. considers that a closed shop is its right and why it feels justified in its demand is difficult to comprehend. Again the A.F. of L. is over reaching itself and exceeding its rights to the extent that it is invading the legal rights of others.

Salient facts of the Steel Industry's experience under NRA shed light on the problem.

For the ninety day period of trial ending November, 1933, The American Iron and Steel Institute reported:

that 213 of 237 companies June 17 - Oct. 14 increased wages 32.1%, payrolls 28.3%

April, 1934 the Steel Industry put into affect an approximate 10% increase in wages for its 420,000 workers, adding \$40,000,000 to the annual payroll. To production costs this added \$1.30 ton.

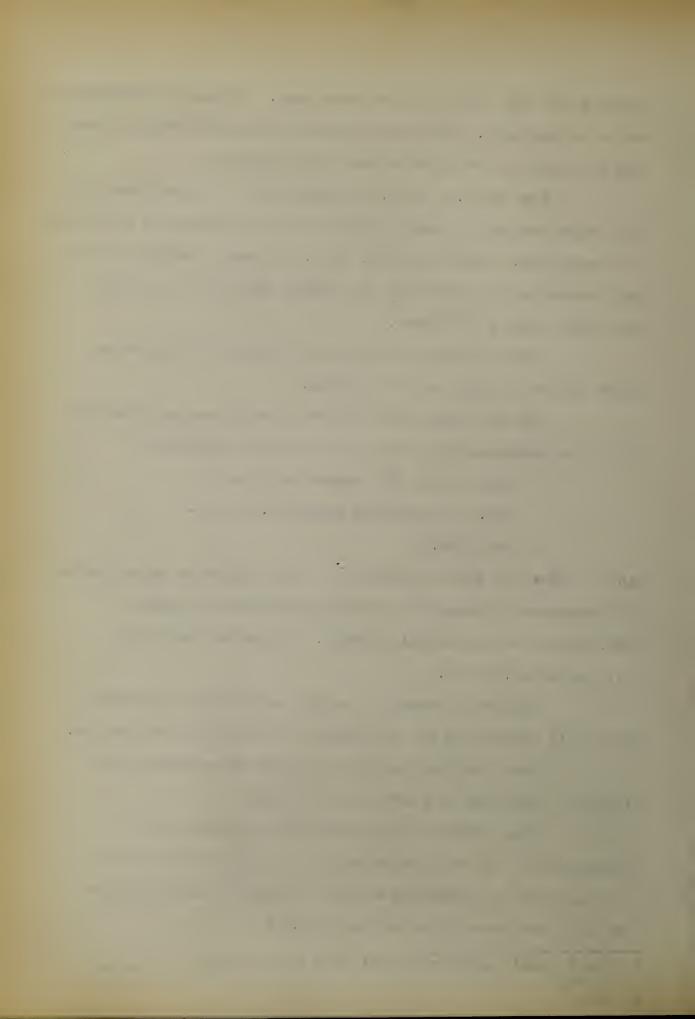
The Steel Industry can ill afford such increases but it is attempting at all costs to frustrate Unionization.

When the Code period of Ninety days expired the Industry asked for its extension stating:

"Any return to the Destructive competitive practices of the past would make it utterly impossible for the Industry to support the large financial burden imposed by the labor provisions of the code." 2

¹ Iron & Steel Institute, April 1934 press release of report to NRA

² Ibid



To earn anything the steel industry must operate at 45% of capacity. The rate for the last three years has been an average of 30.34%. To earn 6% the industry must operate at 80%. Yet the Steel Industry's current level of wage payment is 6 to 7% higher than the 1929 peak, notwithstanding that prices are much lower. Obviously the Steel Company is paying out extra dollars to ward off unionization.

The steel Institute reported that from July to October 1933 that 70% of all matters taken up under their employee representation plan were decided in favor of the employees; 7.1% compromised, 4.5% withdrawn. The steel industry is endeavoring to be on good behavior so as to furnish little public encouragement for the A.F. of L.

¹ These statistics from reports released by the Institute to the NRA.



On May 31, 1934, the Amalgamated Association of Iron, Steel, and Tin workers of North America sent the following letter to the White House. It quite adequately explains the position of the A.F. of L. in the industry, and what the A.F. of L. estimates its own accomplishments in the industry are under the present code. Labor admits that thus far it has met with little success.

Washington, D. C.,
May 31, 1934.

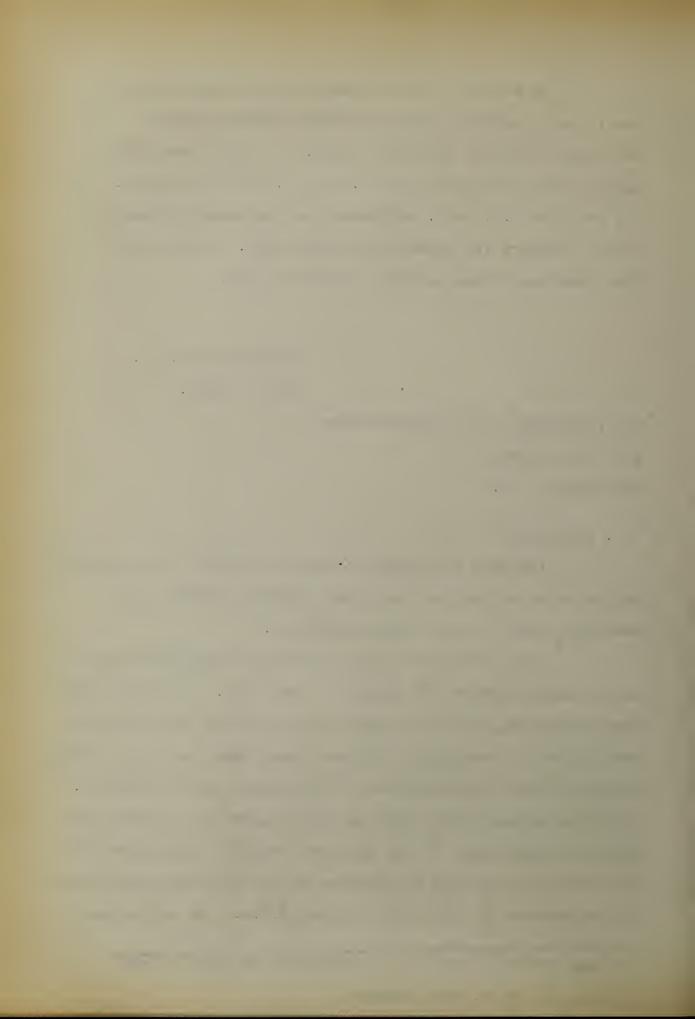
The President of the United States,
The White House,
Washington, D.C.

"Mr. President:

You have extended, by Executive Order, the operation of the Code for the Iron and Steel Industry without any material change in its labor provisions."

This extension of the code was recommended to you by the Administrator for Industrial Recovery. In making this recommendation, the Administrator neglected to hold a public hearing or to investigate the labor practices, policies, wages, hours of labor and conditions of employment in the industry. It is our understanding that he also neglected to consult the Labor Advisory Board of the National Recovery Administration, constituted by you for the purpose of advising the Administrator on matters of labor policy under N.R.A. No conferences

¹ A copy of this letter was received by the author from the A.F. of L. upon request.

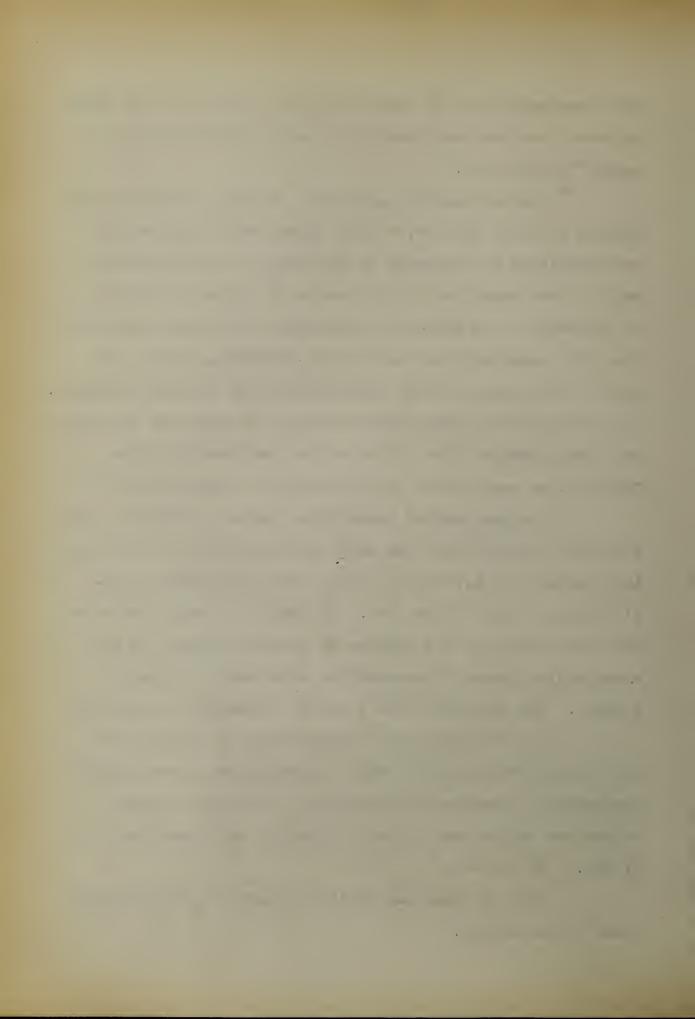


with representatives of organized labor in the Iron and Steel industry have been held during the so-called "observation period" of the code. "

"The Amalgamated Association of Iron, Steel and Tin Workers of North America, a labor organization nationally representative of employees in the Iron and Steel Industry, begs to take exception to this action of the Administrator as contrary to the democratic principles which have characterized this Administration under your leadership, and as contrary to the public policy enunciated by you on many occasions. In the face of the demonstrated failure of this code to effectuate the spirit and the letter of the law promulgated by Congress, we can find no justification for such action."

The Amalgamated Association wishes to bring to your attention the fact that the labor provisions of the code, in their present form, fail to comply with the pertinent provisions of Title I of the Act. The extent to which the code has fallen short of its purpose is stated in detail in the accompanying letter of transmittal addressed to General Johnson. The important points may be summarized as follows:

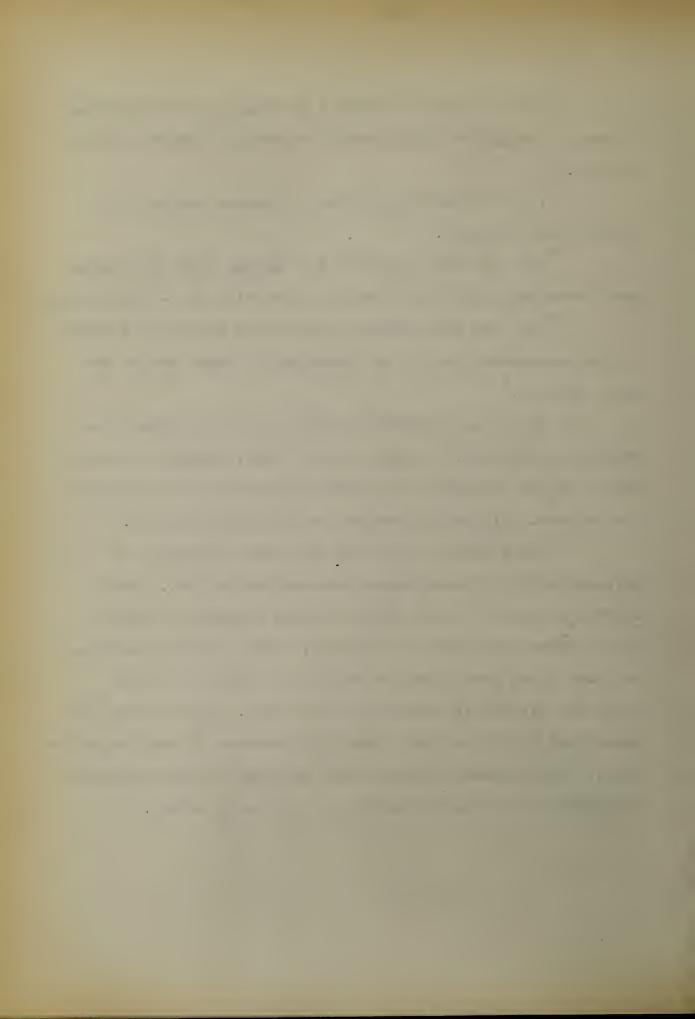
- (1) The code has utterly failed to "induce and maintain united action of labor and management under adequate governmental sanction and supervision, "through flagrant violations on the part of the management, of Subsection (a) of Sec. 7 of the Act.
- (2) The code has failed to increase the purchasing power of the worker.



- "(3) The code has failed to reduce or relieve unemployment through the establishment of adequate maximum hours of work."
- "(4) The code has failed to improve standards of labor in the industry. "
- "(5) The code has failed to impose upon the management "necessary conditions for the protection of *** employees,"
- "(6) The code was put into effect without due regard to the recommendations of the Secretary of Labor and of the Labor Advisor."

"It is our considered judgment that the labor provisions of the code, in their present form, perpetuate widespread abuses inimical to the public interest and contrary to
the declared policies of Congress of the United States."

"The workers in the Iron and Steel Industry, as represented by the Amalgamated Association of Iron, Steel and Tin Workers of North America, being directly affected by the labor provisions of the code, claim that applications of these labor provisions are unjust to them, and hereby apply for appropriate revision of the code. They further request that within ten days after the issuance of your Executive Order, the Amalgamated Association be given an opportunity for a hearing and for determination of the issues raised."



Statement of Issues

1. Maximum hours of work.

The present code provides for a 40 hour week averaged over a six months' period with a 48 hour maximum in any one week and an 8 hour maximum in any one day. The average hours of work per employee since the effective date of the code have been about 31 per week. This fact alone demonstrates the utter ineffectiveness of the code maximum of 48 hours, which bears no relation to the prevailing conditions. "

That the code provisions in themselves have failed to reduce unemployment is borne out by the available employment figures, which show that there has been practically no increase in the total number of employees since the effective date of the code. It is clear that there should be a substantial reduction in the maximum hours in the code. It is also essential to revise the code in such a way as to eliminate all the ambiguity of language which might interfere with effective enforcement. With over ten million workers unemployed throughout the country, and with tens of thousands of employees normally attached to the Steel Industry still unemployed, it is vitally important that an immediate effort be made to shorten hours. Your own statement made at the recent meeting of the code authorities bears witness to this need."

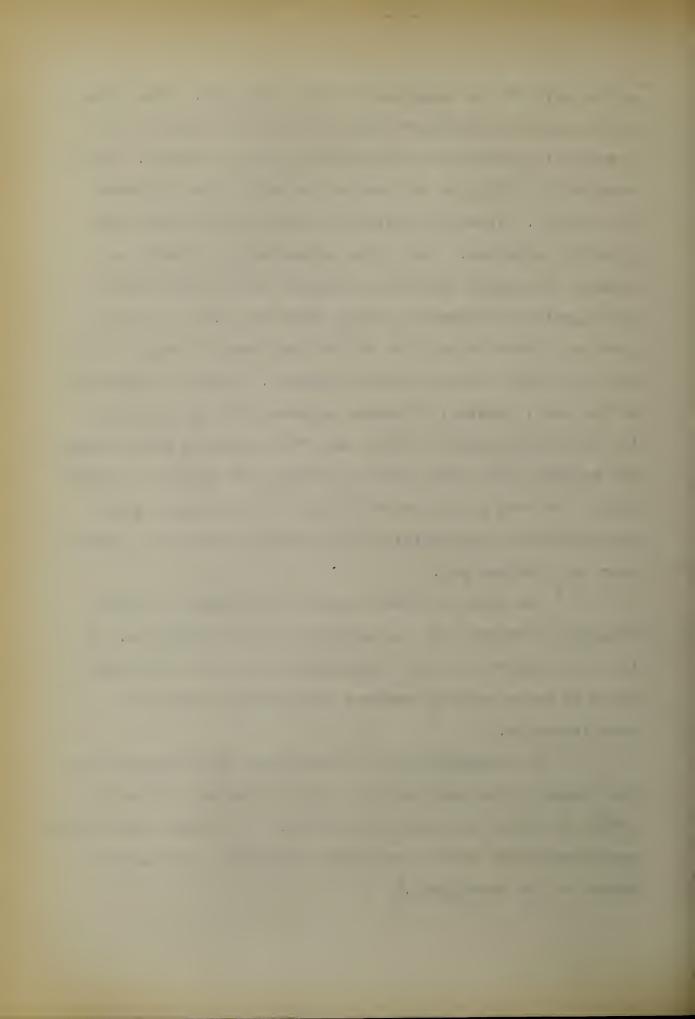
"In examining the possibility of carrying out this proposal, it is important to note that employment has lagged behind the rate of output in the industry under the code. The analysis of the figures for 1933 shows a remarkable effort"



on the part of the management to beat the code. From late Spring until the effective date of the code, there was an increase in production unjustified by market demands. This resulted in piling up of inventories before the code went into effect. After the effective date production was temporarily curtailed. The entire operation was clearly an attempt to produce as much as possible in the speculative anticipation of increased prices under the N.R.A., and to produce as much as possible without any restrictions on the wage and labor policies of the industry. Since the approval of the code, however, it became apparent that by applying the code restriction to hours only "in so far as practicable." the employer had a free hand in keeping the number of highly skilled workers on his payroll down to the minimum, while maintaining the semi-skilled and unskilled workers on shorter hours and reduced pay."

"The Iron and Steel industry has staged a quicker financial recovery than the majority of the industries. It is vitally important that the workers be given an equitable share in these benefits derived from general industrial reconstruction."

"To accomplish this, as President Green pointed out last August, "the only sensible, the only humane course of action is to set the hours at a point, 30 per week, that gives some substantial promise of prompt absorption of a goodly number of the unemployed."



"Six hours per day should constitute a day's work and 5 such days should constitute a work week. There must be no averaging, no possibility of working a man long hours for a short time, and then laying him off or discharging him. A 30 hour week must stand unqualified."

Maximum Rates of Pay

"According to figures of the National Industrial Conference Board, the actual weekly earnings of unskilled male workers from November, 1933, to March, 1934, were about \$3.00 lower than such earnings in August, 1933. The "real" weekly earnings of the unskilled worker have declined from \$23.55 in August to \$20.79 in March. Wages also lagged behind the production schedules. With the general increase in output since March of last year, there has been little indication of an adequate proportionate increase in the purchasing power of the individual worker. The available evidence points to the fact that the unjustifiably low minimum rates written into the code have tended to depress the worker's earnings to the low code levels."

But it is quite untenable to deal with this problem in terms of hourly rates alone, or even in terms of blanket weekly earnings. Serious attention must be given to the actual annual income of the worker, to the actual standard of living of his family. A survey of 50 families of steel workers recently made in Duquesne, Pa., for 1933, showed an average income of about \$7.25 per week per family for the entire year.

Surely these are not the wages of decent living. Surely these are not the wages that will "raise the vast consuming capacity of our rich domestic market", nor "release on a broad front, the pent up demand of this people without fear of a lagging recovery."

"We recognize the impracticability of making a uniformly standard wage rate for all classes of labor in the various occupations in the industry. Such an attempt would be especially impracticable when applied to the skilled and semi-skilled workers. The only proper method of adjusting wage rates and working conditions in these classes of labor is through collective bargaining between employers and employees in full conformity with the provisions of Section 7 of the National Industrial Recovery Act."

"There must be, however, a universal standard rate of pay for common labor. There should be one, and not more than one, rate of pay for common labor in any division of the industry in any area of the United States of America. The differentials written into the code are unwarranted by social and economic conditions, and are opposed to the fundamental principles of our government. We request that the wage provisions of the code be entirely revised to achieve this purpose."

The present Sec. 5 of Art. IV, which for the past months has been the law of the land, is probably the highest insult that any group of men ever dared to offer the Government of the United States. The deliberately obscure phrase-ology of this section, which places it entirely beyond the grasp of common intelligence and understanding, will forever



blot the record of the industry to which we belong. It must be wiped off the statute books as quickly as possible and replaced by a set of equitable wage provisions. These new provisions must be such as to leave no room in the future for the prevailing conditions of meagre wages, constant insecurity, irregularity of employment, and overspeeding, together with the rest of the dark heritage of inept industrial management."

Proposed Modifications

Hours

"It is requested that Sec. 2 of Art. IV be stricken out and the following be substituted therefor:

"No employer shall cause or permit any employee to work more than 30 hours in any one week nor more than 6 hours in any one day; nor shall he cause or permit any employee to work more than 5 days in any one week, provided, however, that this maximum shall not apply in the cases of the following exceptions:

- "(a) Executives and those employed in supervisory capacities or in technical work, receiving not less than \$35.00 per week.
- "(b) Maintenance and repair employees employed on emergency maintenance and repair work involving danger to life or property provided, however, that all such employees shall be compensated at not less than the rate of time and one-half for all worked in excess of 6 hours in any one day."



"Not less than four shifts of four hours each shall be employed on all continuous operations extending over a 24 hour period."

"There shall be a strict observance of the Sabbath Day in all divisions, subdivisions, and plants of the industry, except in the case of blast furnaces and similar operations, where Sunday work is an absolute necessity provided, however, that at least the rate of time and one-half shall be paid for all such work."

Wages

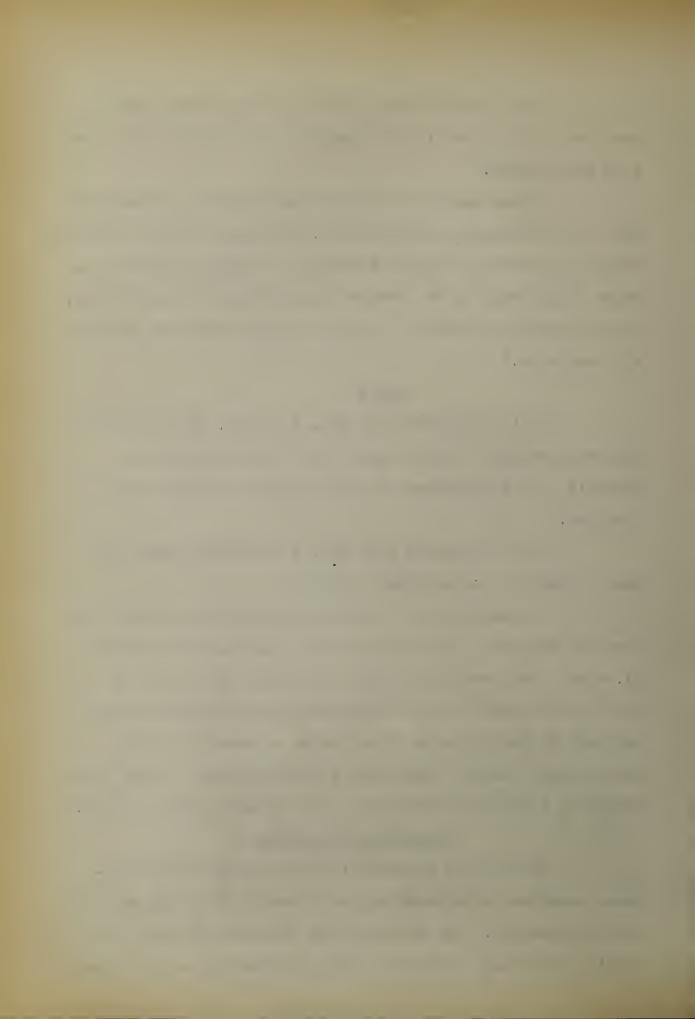
"It is requested that Sec. 4 of Art. IV be deleted from the code and that the wage districts described in Schedule C be discontinued for the purpose of wage determination."

"It is requested that Sec. 5 be deleted and that the following be substituted therefor:

"No employee, not including accounting, office and clerical employees, shall be paid at less than the rate of \$1.00 per hour provided, however, that the provisions of this Section shall not be construed as establishing a minimum rate of pay for other than common or unskilled labor and provided further, that such provisions shall not be construed to authorize reductions in the existing rates of pay."

Collective Bargaining

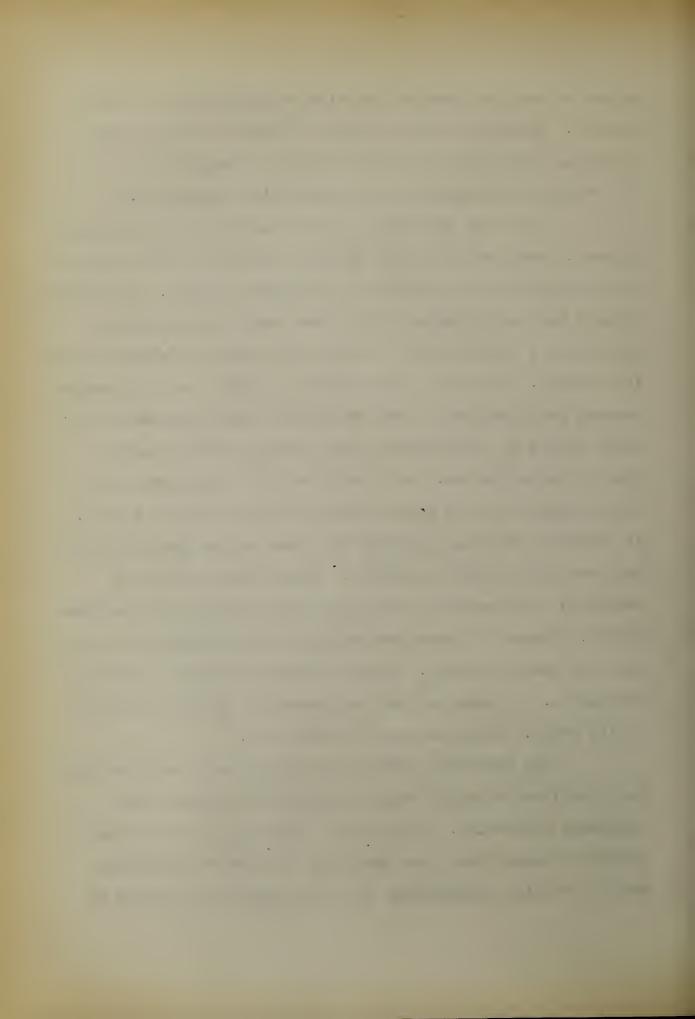
The mandate of law calling for united action between labor and management has been openly defied by employers
in this industry. The Weirton Steel Company and other industrial units have persisted in this refusal to submit them-



selves to any governmental sanction or supervision in this respect. Within the last few days a number of large steel companies have jointly and individually disregarded our lawful request for recognition and collective bargaining."

"Since the day when the Iron and Steel Code was inaugurated, organized labor has bitterly suffered at the hands of the employers and has received no tangible redress. Individual workers and large groups of them have been discriminated against as a direct result of their voluntary self-organization into unions. These men, even though dependent on their meagre incomes for livelihood. have refused to submit themselves to these forces of discrimination and coercion thrust against them by the employers. With unshaken faith they looked to the government of the United States to protect their rights. As patriotic American citizens they have waited patiently for many months for this protection. During these months of emergency they have been loyal and have abstained from extreme action. Industrial peace has been generally maintained in the Iron and Steel Industry. This patience and loyalty has gone unrewarded. To this day the Government has failed these men in its trust. Their patience is exhausted.

"The Executive Order extending the code and providing for elections falls far short of giving the workers the necessary protection. It does not implement collective bargaining by specifying that bona fide collective bargaining calls for joint negotiations for the purpose of reaching an



agreement. We call upon you, as Chief Executive of the United States, to implement collective bargaining beyond the terms specified in your Order. Only immediate and forceful action on your part will put into effect the long-awaited enforcement of the workers' rights to bargain collectively through the representatives of their choosing."

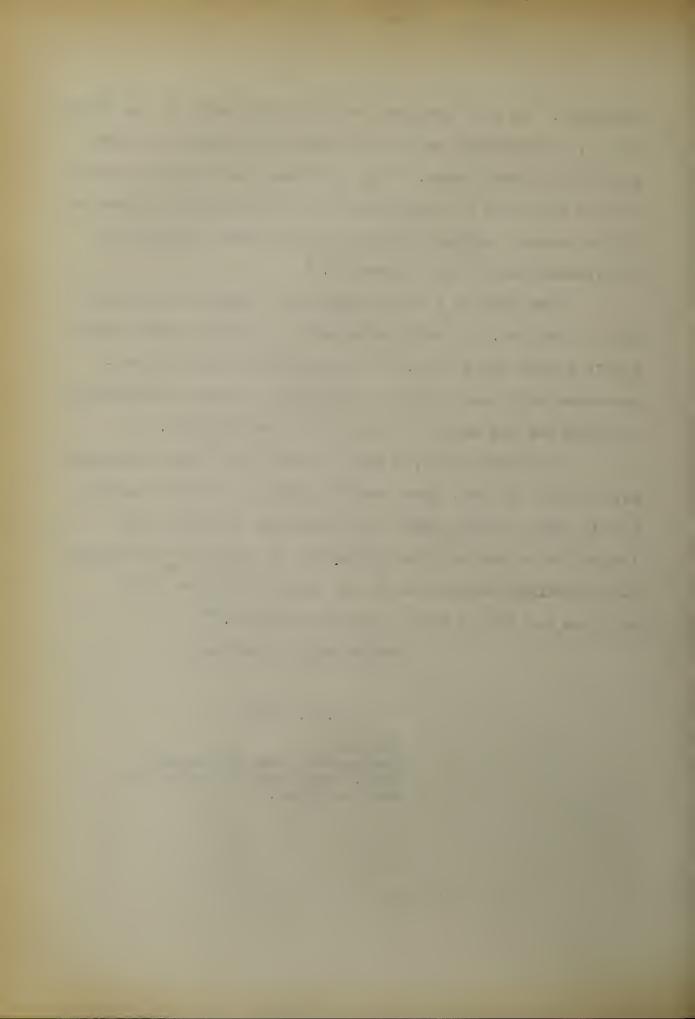
"We look to you for prompt and unqualified enforcement of the law. If this enforcement is not put into effect within a very short time, the responsibility for any consequences will rest entirely upon those who have deliberately violated the law since the day of its promulgation."

"In conclusion, I wish to state that the Amalgamated Association of Iron, Steel and Tin Workers of North America stands ready to take part in any hearing, conference or investigation you may find desirable to call for the purpose of determining the merits of the issues raised in this petition and of any facts pertinent thereto."

Respectfully submitted,

M. F. Tighe

President Amalgamated Association of Iron, Steel and Tin Workers of North America.



THE WEIRTON STEEL CASE 1

Upon complaint by NRA to the Attorney General of the United States, for alleged violation of section 7a, court action was taken against the Weirton Steel Co. This transferred to the Federal Courts the dispute as to whether or not the Steel Company had violated the steel code when it:

- 1. refused to recognize the A. F. of L.
- 2. formed its own company Union
- 3. refused to supply list of employees for National Labor Board election

This significant case came before Federal Judge John Percy Nields of Wilmington, Delaware.

The defense argued that:

- 1. Weirton obeyed the Steel Code
- 2. National Industrial Recovery Act is unconstitutional.

The decision:

- (1) Affidavits were contradictory in matter of fact
- (2) Offered grave problems in questions of law
- (3) The government denied injunction it sought on basis of the Norris-LaGuardia Act which prohibited the issuance of injunctions in labor disputes without the appearance of witnesses in open court.

The Steel Companies won a major skirmish. Labor suffered a bad defeat. The Norris LaGuardia act was passed in 1932 by the Friends of labor. It was to prevent employers obtaining injunctions against strikers on unreliable evidence.

¹ also on page 92

² This was the first time the law was applied against labor.



This was an unexpected usage of the law. A hearing for permanent injunctions against the Weirton Steel Company cannot be held until the Fall term of 1934. Even if an injunction is then obtained an appeal can be taken to the Supreme Court. In all probability, the protracted controversy will end at a time when the NRA ceases to be law. Labor was keenly disappointed by the outcome.

The outcome of the Weirton Steel case thus far marks the breakdown of the governments enforcement machinery. As a result Section 7(a) means nothing more to labor than the paper on which it is written.

¹ Employees of the Weirton Steel Company voted against Striking. (June 8, 1934, New York Times)

THE STRIKE VOTED

The Steel Industry is opposed to the A. F. of

L. and it will face a strike rather to permit a closed

shop. It "would rather put up shutters on every plant

rather than agree to the closed shop program of the

Amalgamated Association," reads one statement of the Steel

Institute.

The American Iron and Steel Institute proposed a neutral board of three members to adjust certain phases of disputes in the Industry. Labor rejected the plan because of its company union features,

Irresponsible members of the A. F. of L. Unions urged and voted for a strike. A strike at this time would have been unfortunate. The nation would suffer a severe economic set-back. Industry would shut down, and labor particularly would incur great losses. Thanks to the counsel of older men and cooler heads, a crisis was narrowly averted. However, the hot heads of the Union issued an open letter.

William Green of the Federation of Labor and Michael Tighe hastened to the meeting of the delegates and worked desperately to persuade them to postpone the strike.

Mr. Green spoke to the delegates of the Amalgamated Association words of wise counsel: "I come as a miner speaking to steel workers. I know what it is to go starving, what it is to go through eighteen months of strike and to taste the

¹ June 18 1934 Time

² See appendix for statement of secret strike vote (Iron Age) ~

bitter dregs of defeat. I don't want you to risk a conflict when the odds are against us. It would set us back and we cannot afford to be set back. It is better as this time to observe the weight of sound judgement rather than the dictates of feeling. There is no more domineering, autocratic, dictatorial, and reprehensible group than those who represent the steel corporations of this country."

Because the A. F. of L. has no direct authority over its constituent members, it is not always able to persuade members to call off a threatened strike. If the Federation were able to exercise such discretion prior to a crisis, the cause of labor would be greatly advanced.

Mr. Green further proposed that the Federal government create a Board which would have the power and authority to:

- 1. investigate grievances
- 2. arrange conferences for Collective bargaining with employers.
- 3. Conduct workers elections for labor representatives, the majority ruling.

The strike was postponed. If all the stated conditions were met, it would be definitely called off. While the immediate emergency was avoided, the dark clouds of labor strife hovered over the Industry.

The Amalgamated accepted this plan for mediation and voted to suspend the strike (New York Times, June 16, 1934)

1 According to Iron Age, 95% of the U.S. Steel workers voted against a strike (New York Times, June 16, 1934)

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-72-

NATIONAL STEEL LABOR RELATIONS BOARD

Machinery has been set up by which it is hoped to iron out the difficulties arising out of Section 7a of the National Recovery Act. Not long after Mr. Green's statement of terms and demands, the President at Washington issued an executive order creating a Board whose responsibility it would be to handle labor controversies in the Steel industry. The President's statement met the demands of the Federation terms and averted a serious industrial situation. The creation of this Board closely parallels that of the Automobile Labor Board. As in the Automobile industry, this Board may serve only as temporary patchwork for the Steel Industry. By it, however, the A. F. of L. is spared the trial of strike; industry and the nation, serious problems.

The American Federation of Labor demands majority representation, that is the representative elected by the majority is to represent all the workers. The Employers insisted upon proportional representation.

In the order creating the Board for the Steel industry the President stipulated that, in the event of a plant election, the man or organization receiving a majority vote should represent the workers "without thereby denying to any individual employee or group of employees the right to present grievances, to confer with their employers or otherwise to associate themselves and act for mutual aid and protection."

¹ New York Times, June 29,1934

To the board were named:

Justice Walter P. Stacey, N. Carolina Supreme Court

Rear Admiral Henry E. Wiley, Retired

Judge James Mullenbach, Chicago

The President's statement read:

"In accordance with the authority just conferred upon me by a joint resolution of Congress, I have today established a 'National Steel Labor Relations Board'. "This Board consists of three impartial members, who will be thoroughly independent in their judgment and who are fully empowered to act under the law. They will make reports to me through the Secretary of Labor of their activities from time to time.

"The functions of the Board will be limited to labor relations in the iron and steel industry.

"In that field the board was authorized to hear and determine cases of alleged violations of Section 7a (Collective bargaining) of the National Industrial Recovery Act, and to mediate in labor questions, to serve as a board of voluntary arbitration and by secret ballot to conduct labor elections to determine who are representatives of workers for collective bargaining."

Noteworthy is that because the dispute became so intense that jurisdiction over the problem has been transferred from General Johnson of the NRA to Madam Francis Perkins, Secretary of Labor.

With the creation of this Steel Board, as in the case of the Automobile Crisis, the strike threat was averted.

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-74-

Whether or not, the A. F. of L. will secure satisfactory recognition in the Steel Industry under this new arrangement cannot be ascertained at present.1

¹ M.F. Tighe, president of the Amalgamated approved the creation of this board (New York Times, June 29, 1934)

-75-

NATIONAL LABOR RELATIONS BOARD

The proposed Wagner Labor Bill met with little success. To meet the emergency of labor disputes the 73rd Congress by an amendment to the National Industrial Recovery Act provided that:

- 1. The president appoint a Labor Board to succeed the National Labor Board
- 2. The Board have power to investigate facts of disputes arising from Section 7a
- 3. The Board may conduct labor elections
- 4. The Board may subpoena witnesses and documents.
- 5. The Board may issue orders and regulations.
- 6. The Board may levy penalties and fines for non-compliance to its orders.

On June 30, 1934 President Roosevelt issued an executive order creating the "National Labor Relations Board"which is to succeed the National Labor Board. To this Board were appointed three men of high reputation:

Lloyd Garrison, Dean University Wisconsin Law school

Harry Alvin Mills, Head Economics Dept. University Chicago

Edwin S. Smith, Commissioner of Labor, Massachusetts
The order stipulates that the three members must devote their
full time to the Boards work.

Quoting from the Presidents statement issued with his executive order:

¹ New York Times, Sunday June 31, 1934

The state of the s ---- "The Executive order that I have just issued carries out the mandate of Congress, as expressed in the Public Resolution No. 44, seventy third Congress, approved June 19, 1934. It establishes upon firm statutory basis the additional machinery by which the United States Government will deal with labor relations, and particularly with difficulties arising in connection with collective bargaining, labor elections and labor representation."

"In addition, the board is authorized to recommend to the President that in such cases as they deem it desirable, existing labor boards such as the Industrial Boards already created in the cotton Textile industry or the Petroleum Industry, and such as the various regional labor boards should be re-established under the authority of the joint resolution just passed by Congress and approved by me June 19, 1934; and also to recommend that additional boards of a similar character should be newly created."

"The Existing National Labor Board is by this Executive order abolished effective July 9, 1934...."

"One of the most important features of the new arrangement is that National Labor Relations Board and all subordinate boards will make regular reports through the Secretary of Labor to the President."

In as much as the National Labor Relations Board promises to mark a new era in industrial relations and be-

cause its decisions will gravely affect the position of the American Federation of Labor, it is well that the exact powers of the board be known. For this reason, the Presidents executive order is quoted in full:

¹ New York Times, June 31, 1934



EXECUTIVE ORDER

Creation of the National Labor Relations Board, &c.

"By virtue and pursuant to the authority vested in me under Title I of the National Industrial Recovery Act (Ch. 90, 48 Stat. 195, Tit. 15, U.S.C., Sec. 701) and under joint resolution approved June 19, 1934 (Public Res. 44, 73d Congress), and in order to effectuate the policy of said title and the purposes of the said joint resolution, it is hereby ordered as follows:

CREATION OF THE NATIONAL LABOR RELATIONS BOARD.

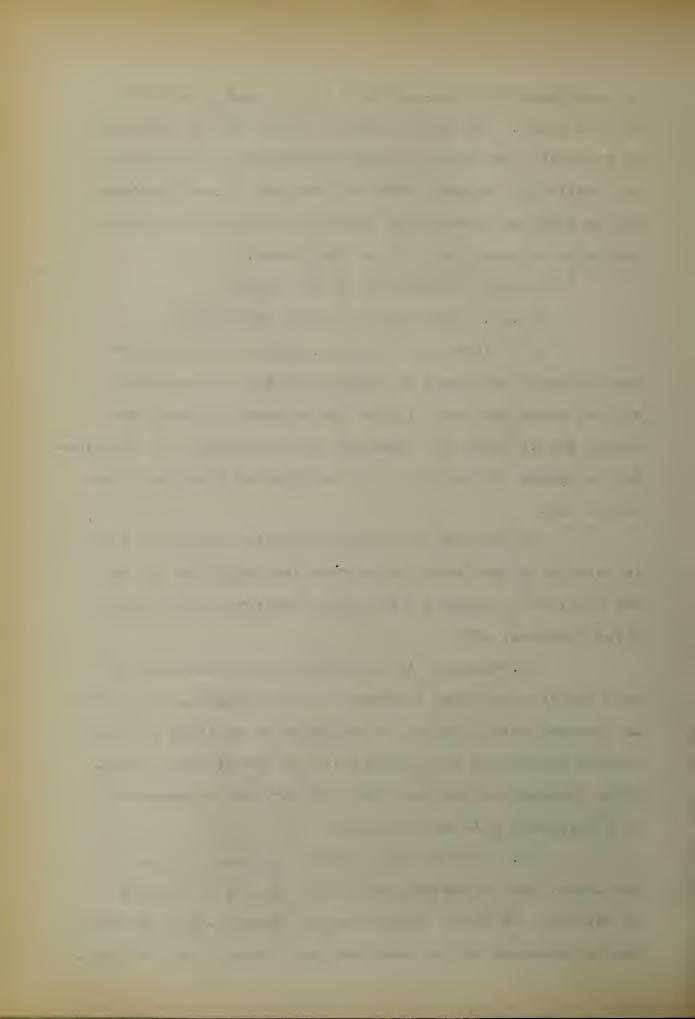
- "Sec. 1. (A) there is hereby created in connection with the Department of Labor a board to be known as the National Labor Relations Board (hereinafter referred to as the board), which shall be composed of Lloyd Garrison of Wisconsin, chairman; Henry Alvin Millis of Illinois and Edwin S. Smith of Massachusetts. Each member of the board shall receive a salary of \$10,000 a year and shall not engage in any other business, vocation, or employment. Two members of the bard shall constitute a quorum. A vacancy in the board shall not impair the right of the remaining members to exercise all the powers of the board."
- "(b) The board shall have authority to appoint such employes, and without regard to the provisions of the Civil Service laws, such attorneys, special experts and examiners as it deems necessary for its own functions and for the functions of such regional industrial, and special boards as may be designated or established in

in accordance with sub-section 3 (a) (1) and 3 (a) (2) of this order. The power, however, shall not be construed to authorize the board to appoint mediators, conciliators and statistical experts when the services of such persons may be obtained through the Secretary of Labor in accordance with sub-section 4 (a) of this order."

" ORIGINAL JURISDICTION OF THE BOARD.

Sec. 2. The board is hereby authorized --

- a) To investigate issues, facts, practices and activities of employers or employes in any controversies arising under Section 7 (a) of the National Industry Recovery Act or which are burdening or obstructing, or threatening to burden or obstruct, the free flow of interstate commerce; and,
- (b) To order and conduct elections and on its own initiative to take steps to enforce its orders in the manner provided in Section 2 of public resolution 44, Seventy-Third Congress; and,
- (C). Whenever it is in the public interest, to hold hearings and make findings of fact regarding complaints of discrimination against or discharge of employes or other alleged violations of Section 7 (a) of the National Industrial Recovery Act and such arts of any code or agreement as incorporate said section; and
- (d). To prescribe, with the approval of the President, such rules and regulations as are authorized by Section 3 of Public Resolution 44, Seventy-third Congress, and to recommend to the President such other rules and regu-



lations relating to collective bargaining, labor representation and labor elections as the President is authorized to prescribe by Section 10 (a) of the National Industrial Recovery Act."

"(E). Upon the request of the parties to a labor dispute, to act as a Board of Voluntary Arbitration or to select a person or agency for voluntary arbitration."

"RELATIONSHIP TO OTHER LABOR BOARDS.

Sec. 3 (A) The board is hereby authorized and directed:

- (1) To study the activities of such boards as have been or may hereafter be created to deal with industrial or labor relations, in order to report through the Secretary of Labor to the President whether such boards should be designated as special boards and given the powers that the President is authorized to confer by Public Resolution 44, Seventy-third Congress, and
- "(2) To recommend, through the Secretary of Labor, to the President the establishment, whenever necessary, of "regional labor relations boards," and special labor boards for particular industries vested with the powers that the President is authorized to confer by Public Resolution 44, Seventy-third Congress; and "
- "(3) To receive from such regional, industrial and special boards as may be designated or established under the two preceding subsections reports of their activities and to review or hear appeals from such boards in cases in which (1) the board recommends review or (2) there is a division

----- of opinion in the board or (3) the National Labor Relations
Board deems review will serve the public interest. "

OLD LABOR BOARD ABOLISHED.

(B) The National Labor Board created by executive order of Aug. 5, 1933, and continued by executive order No. 6.511 of Dec. 16, 1933, shall cease to exist on July 9, 1934: and each local or regional labor board, established under the authority of Section 2 (b) of the said executive order of Dec. 16, 1933, if it is not designated in accordance with Subsection 3 (a) (1) of this order, shall cease to exist at such time as the National Labor Relations Board shall determine. The National Labor Relations Board shall have authority to conduct all investigations and proceedings being conducted by boards that are abolished by this subsection; and all records, papers and property of such board shall become records, papers and property of the National Labor Relations Board. All except \$100,000 of the unexpended funds and appropriations for the use and maintenance of the National Labor Board shall be available for expenditure by the National Labor Relations Board and such regional, industrial and special boards as may be designated or established in accordance with Subsections 3 (a) (1) or 3 (a) (2) of this order. The remaining \$100,000 of such unexpended funds and appropriations shall be transferred to the Secretary of Labor for the use of the conciliation service in the Department of Labor. All employes of boards that are abolished by this

,

subsection shall be transferred to and become employes of the National Labor Relations Board at their present grades and salaries, but such transfer shall not be construed to give such employes any civil service or other permanent status."

Relationship to Other Executive Agencies.

- Sec. 4 (A) The board is hereby authorized
- (1) To request the Secretary of Labor to exercise the power conferred upon him by Section 8 of the act entitled "An Act to Create a Department of Labor (Ch. 141, 37 stat. 738) to appoint commissioners of conciliation; and "
- "(2) To request from time to time the Secretary of Labor to direct officers and employes of the Department of Labor to render services and furnish information and otherwise to aid the board in the performance of its duties."
- (b) The board shall at the close of each month make, through the Secretary of Labor, to the President a report in writing of its activities and the activities of such regional, industrial and special boards as have been designated or established in accordance with the recommendations of the board under subsections 3 (a) (1) and 3 (a) (2) of this order. Such reports shall state in detail cases heard, decisions rendered and the names, salaries, and duties of all officers and employes appointed under the authority of this order and receiving compensation directly or indirectly from the United States."
- "(c) The National Labor Relations Board may decline to take cognizance of any labor dispute where there is

another means of settlement provided for by agreement, industrial code, or law which has not been utilized."

- OTHER AGENCIES TO GIVE WAY.
- (d) Whenever the National Labor Relations Board or any board designated or established in accordance with subsections 3 (A) (1) or 3 (A) (2) of this order has taken, or has announced its intention to take, jurisdiction of any case or controversy involving either Section 7 (a) of the National Industrial Recovery Act or Public Resolution 44. Seventy-third Congress, no other person or agency in the executive branch of the government, except upon the request of the National Labor Relations Board, or except as otherwise provided in subsection 3 (A) (3) of this order, shall take, or continue to entertain, jurisdiction of such case or controversy.
- (E) Whenever the National Labor Relations Board or any board designated or established in accordance with Subsections 3 (A) (1) or 3 (A) (2) of this order has made a finding of facts, or issued any order in any case or controversy involving Section 7 (A) of the National Industrial Recovery Act or public resolution 44. Seventy-third Congress, such finding of facts and such order shall (except as otherwise provided in Subsection 3 (A) (3) of this order or except as otherwise recommended by the National Labor Relations Board) be final and not subject to review by any person or agency in the executive branch of the government.



"(F) Nothing in this order shall prevent, impede or diminish in any way the right of employes to strike or engage in other concerted activities."

FRANKLIN D. ROOSEVELT.

Approval recommended.

FRANCES PERKINS, Secretary of Labor, the White House, June 29, 1934.



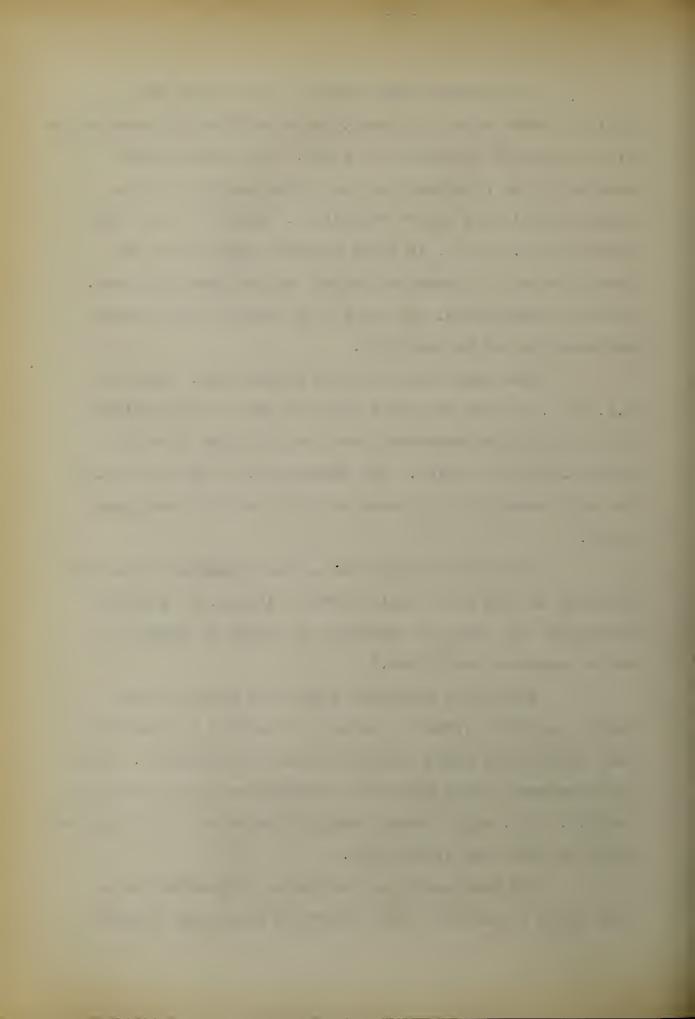
The National Labor Board, displaced by the National Labor Relations Board, had as members representatives of the American Federation of Labor. The present Board created by the President has only three members with no direct affiliation to the Federation. Whether or not this places the A.F. of L. in a new position relative to its participation on Government bodies has not been discussed. From all appearances, the aim was to create a board whose membership would be impartial.

With impartial decisions handed down, both the A.F. of L. and the employers stand to gain in many points; but it should be remembered that both factions also face possibilities of losing. The Federation, if the Board will be truly impartial, will have to yield on the closed shop issue.

In the executive order is the following statement:
"Nothing in this order shall prevent, impede, or diminish
in any way the right of employees to strike or engage in
other concerted activities."

While this statement appears to infringe upon labor's right to strike in no way, it creates a situation that effectively makes striking unwise and unpopular. With the government doing everything possible to assure fairness, the A.F. of L. would outrage public opinion and lose political favor by using the strike club.

The government has endeavored to provide for a fair means of settling the differences that exist between



labor and capital, but it has not committed itself to a closed shop.

This new creation under the NRA bids fair to remain as a permanent reconciliation machinery under the Department of Labor. The NRA role is eliminated marking a divorce of labor difficulties and their solution from the National Recovery Act.

The National Industrial Recovery Act is therefore largely responsible for providing, however indirectly, a means of giving labor opportunity to assert its rights peacefully and lawfully. The A.F. of L. if judicious can gain much from this offspring of the NRA. The A.F. of L. may gain more under this new enactment than it has under the previous. Marking a new phase of the NRA, this Board is provided with enforcement teeth. The penalties and fines will give its decisions weight.

While yet unascertained, this new policy under the National Industrial Recovery Act is labor's greatest advance under the Act. To the American Federation of Labor it may bring new and difficult problems.

To this Board Labor may bring its grievances for adjudication. The American Federation of Labor which assumes that it represents American workers must realize the grave responsibility now resting upon it under this new arrangement. It must provide enlightened leadership and share the burdens facing the Nations workers.

. . .

The great doubt that arises is whether or not the A.F. of L. is capable of living up to its task. Is the American Federation of Labor strong enough fundamentally to undergo the radical changes of organization and policy made imperative by new conditions?



CONCLUSION

Of the National Industrial Recovery Act Walter Lippmann has excellently stated:

"In essence, Section 7a said to the industrial managers: If you want combination and codes, then you must bargain with labor; if you do not want to bargain, then you must accept no combination and no code, and the old antitrust laws. This made sense. For it gave management a self-regarding incentive to bargain, and it gave the government a means of enforcing through its right to cancel the codes and restore the Anti-Trust laws.

Mr. Lippmann states later:

"In the hurried and wholesale establishment of codes, the government forgot that it was granting a right; it forgot to make section 7a effective as one of the conditions of granting right; having imposed or what amounts to the same thing, having appeared impose the codes, it surrendered the one power which the act gave it to induce compliance; and this left it in the impossible position of trying to make good its obligation to Labor by resort to the Courts; when it could not make good there was an epidemic of strikes and threats of strikes.

^{1.} Boston Globe, June 6, 1934



The trouble has arisen because in the administration of the Act there has been a radical departure from its original principles and original intent. The act was far more wisely conceived that has been its execution."

Section 7a is further explained by schedule B of the NRA Administration:

"The plain meaning of Section 7(a) cannot be changed by any interpretation by anyone. It is the function of the Administrator and the courts to apply and to interpret the law in its administration; and no one else can assume this function and no official interpretation can be circumscribed, affected or foreclosed by anyone writing his own interpretation into any code or agreement. Such an interpretation has no place there and cannot be permitted."

"The words "open shop" and "closed shop" are not used in the law and cannot be written into the law."

These words have no agreed meaning and will be erased from the dictionary of the NRA."

"The law requires in codes and agreements that "employees shall have the right to organize and bargain collectively through representatives of their own choosing."

This can mean only one thing, which is that employees can choose anyone they desire to represent them, or they can choose to represent themselves. Employers likewise can make collective bargains with organized employees, or individual agreements with those who choose

¹ Copy received from NRA , Washington, D.C.

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to act individually; provided, of course, that no such collective or individual agreement is in violation of any State or federal law. But neither employers or employees are required, by law, to agree to any particular contract, whether proposed as an individual or collective agreement.

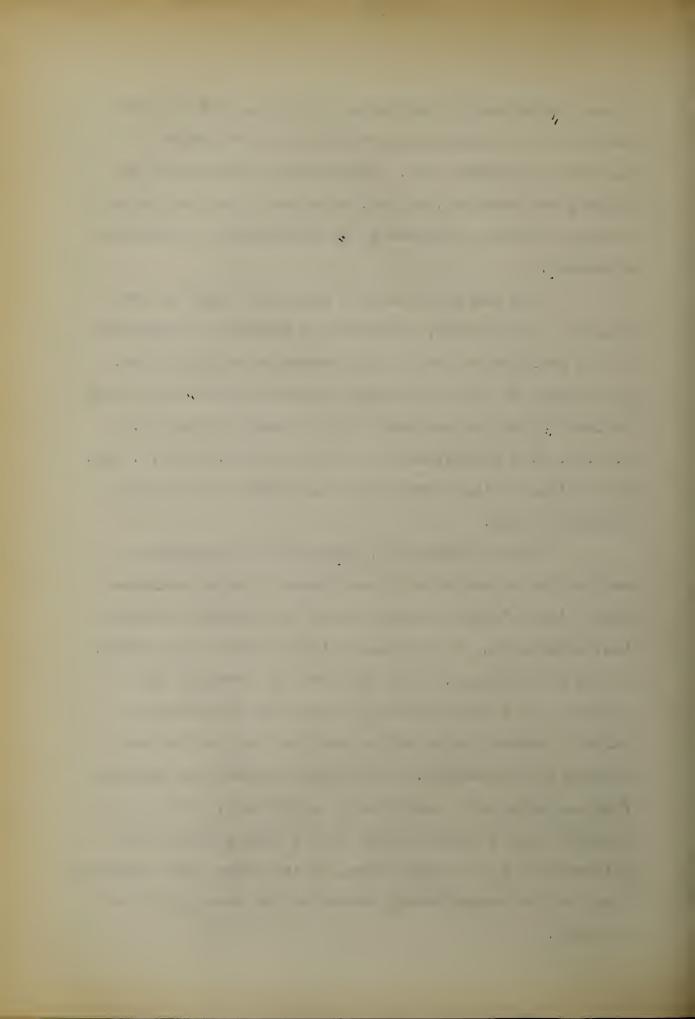
The Law provides that employees shall be free from the interference, restraint or coercion of employers in the exercise of their rights established by the law.

The conduct of employers which is here prohibited has been defined by the Supreme Court in the Case entitled -T. &

N. O. R. R. v Brotherhood of Railway Clerks, 281 U.S. 548.

The rulings of the Supreme Court Lay down the law which governs the NRA.

"Under Section 7a, employers are forbidden to require "as a condition of employment" that an employee shall either "join a company union" or refrain from joining, organizing, or assisting a local labor organization, of his own choosing." The law does not prohibit the existence of a local labor organization, which may be called a company union and is composed only of the employees of one company. But it does prohibit an employer from requiring as a condition of employment, that any employee join a company union and it does prohibit the maintenance of a company union, or any other labor organization, by the interference, restraint, or coercion of an employer.



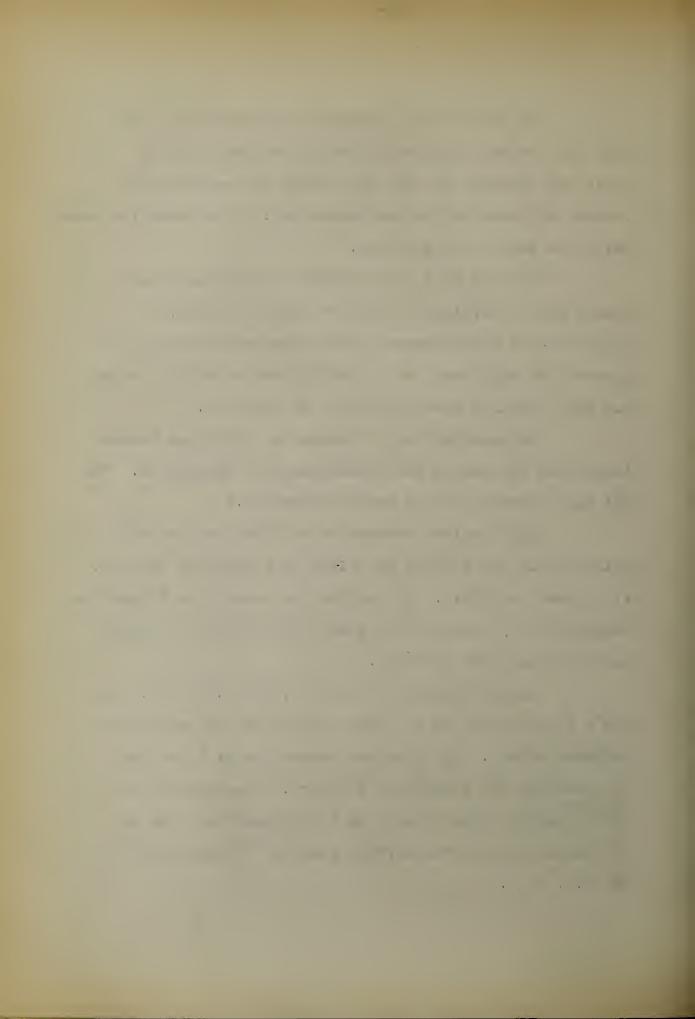
'If there is any dispute in a particular case over who are the representatives of the employees of their own choosing the NRA will offer its services to conduct an impartial investigation and, if necessary, a secret ballot to settle the question.

The NRA will not undertake in any instance to decide that a particular contract should be made, or should not be made between lawful representatives of employees and employers; or to decide that a contract which has been lawfully made should not be enforced.

"Cooperation is all industrial relations depends largely on the making and maintainance of agreements. The NRA will promote and aid such cooperation."

The American Federation of Labor has no doubt gained under the NRA but as stated in a previous chapter, at a great sacrifice. By forcing the issue, the Federation compelled the Government to state flatly that it favored no particular type of Union.

In the Automobile Industry, the A.F. of L. has won a foothold but in the major issues of the contest it suffered defeat. The American Federation of Labor has not captured the Automobile Industry. The creation of the Automobile Labor Board and the concessions made to the Industry have considerably weakened the position of the A.F. of L.



with its prolonged legal controversy is a classic example of just where the Federation stands in the Steel Industry.

Membership in the Steel Unions of the American Federation of Labor, as in the Automobile Plants, have increased, but that is no index of the organizations position as regards the major issues in the industry. The Steel Industry has been steadfast in its refusal to recognize the Closed shop and the A.F. of L. At present the two factions are in deadlock. Out of it will either come a bitter struggle or compromise. Most likely, it will be compromise. In the event of a struggle, the A.F. of L. must lose both in prestige and power.

Organized labor depends on the job of individual workmen. If there are no jobs, or if men are thrown out of work on account of strikes, labor disorganizes. With a huge army of unemployed, and a still larger multitude of persons barely earning enough to maintain their families, it is senseless for the American Federation of Labor to threaten strike. It should remember that the strike has often acted as the boomerang.

Strike leadership will not be tolerated. The workers need their jobs and pledge cards do not mean a thing. They will not give up a job after they have loafed for two years or more. The citizenry of the United States will not support strike leadership.

. . .

The American Federation of Labor is too short sighted and too much of a business organization. It has failed to take advantage of conditions to show the nation and industry that organized labor is not dominated by irresponsible leaders. In the face of facts and hard times it has insisted on a display of power. Discretion would have dictated tact and far sighted diplomacy.

Dictation by any group is odious, whether it be by capitalists or labor. A hierarchy of labor can be as unjust as that of capital. The American people will not be abused by any group.

The American Federation of Labor has assumed that it is the rightful representative of Labor in the United States. Under what mandate does the A.F. of L. claim this right? Out of a total of over twenty four million workers in this country, it represents only four million. A vast body of some twenty one million do not belong to the A.F. of L. Why should the A.F. of L. assume that it should represent them?

If the American Federation of Labor was reasonable, intelligent, and farsighted, it would proceed with caution, not force issues, and it would put the issue up to the workers for assent rather than cry to the government for backing. There is no valid reason why the Government should superimpose the Federation's archaic organization and methods on American Industry. The truth is that the

 Federation has been afraid to risk arbitration and a show-down.

Organized labor should plead the cause of workmen, champion their rights. This the Federation could do with-out causing so much disturbance and worry to the nation.

As well organized as labor might be, it cannot rival the power and influence of concentrated capital and industry. Against the unfortunate workmen and the small wealth they have, organized industry and capital can bring to bear the bitterness of unemployment and endless feud.

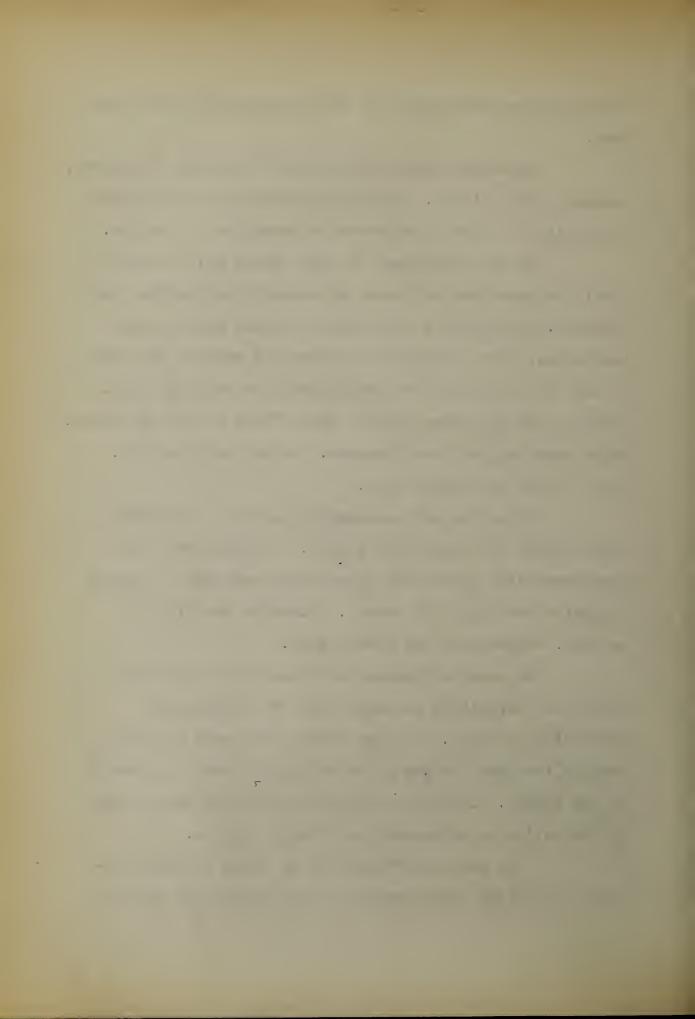
Industry can shut down and let labor "stew in its own juice." Labor needs capital and industry. Labor needs the Job.

Labor should not forget that.

This does not necessarily mean that organized labor should not assert its rights. It does mean that organized labor should use discretion, and that it should recognize the rights of others. Whatever the sins of capital, capitalists too have rights.

No court of America will uphold the principle of Collective bargaining as championed by the American Federation of Labor. If organized labor feels that its demands are just, it should be willing to test its demands in the courts. It has no right to demand the businessmen of the nation to surrender their lawful rights.

The American Federation of Labor has made progress as regards participation in the government boards



and commissions. Labor has won a voice in places of authority. The American Federation of Labor has gained greatly in this respect. The A.F. of L. has spokesmen who have access to influence. The Friends of Labor have legislated in favor of organized labor.

The A.F. of L. has set as its goal a membership of twenty five million. Since the inauguration of the NRA, it has gained a membership of 1,300,000. Its total membership is about four million, within fifty thousand of its wartime peak.

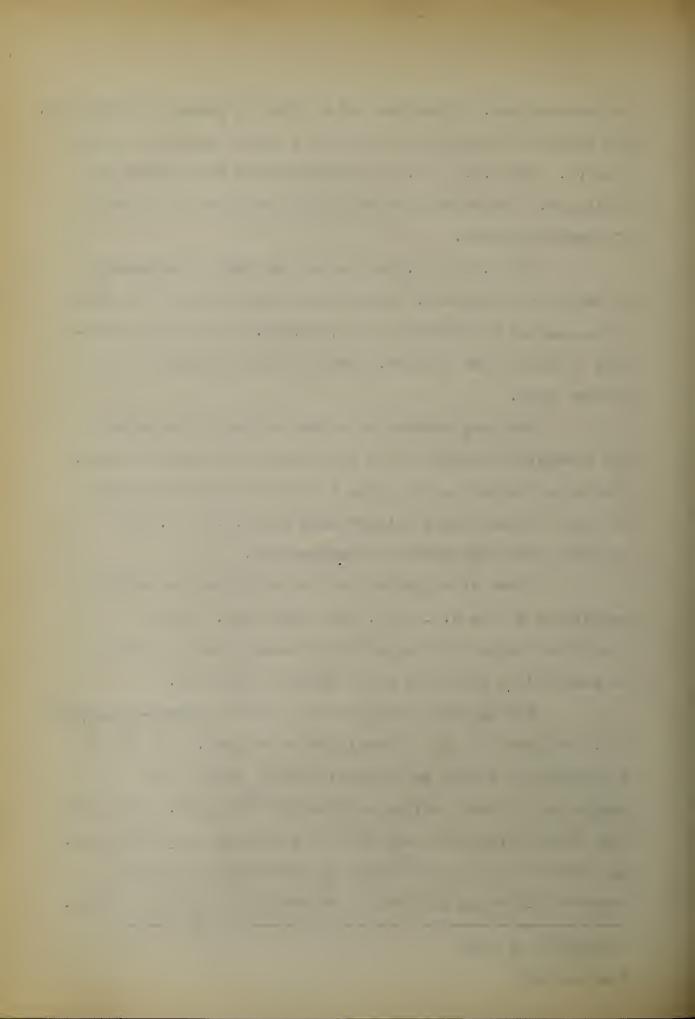
How many members have been gained in the steel and automobile industries is not exactly for public record. The industrialists do not wish to have the exact strength of their Unions known; neither does the A.F. of L. In struggle, strategy involves exaggeration.

There is no doubt that the business managers and organizers of the A.F. of L. have been busy. Under hysterical leadership and mob rule enough workers could be exhorted to strike so as to paralyze industry.

The American Federation of Labor is fifty-three years old. No doubt, it has accomplished much good. But has it accomplished as much as it should have? Yearly the Federation of Labor collects \$30,000,000 in dues. With this huge amount available each year it should be more effective. The defect is in its structure of organization and the constant bickering and dispute between the various factions.

¹ Established 1881

² An estimate



In chapter one, we have seen how complicated the organization is. All its organization is formed about the crafts. Walter Lippmann states: "From the side of labor the decision to invoke government aid in collective bargaining was a momentous one. It may be said, I believe, that if persisted in, it means the doom of the old fashioned craft unions which are the chief components of the A.F. of L. For these Unions represent only a small part of the labor in most industries and they cannot pretend to represent all labor."1

At one time over eighteen different craft unions laid claim to membership in one automobile plant. Industrial managers justifiably dread having to deal with a lot of different unions. The vertical organization by industry is more satisfactory. All workers in the industry are represented by one organization.

Imagine the Steel and Automobile industries organized along craft lines. Efficiency and harmony would be destroyed. If the managers of the plant did not agree with one of the multitude of craft unions, all work in the plant would be tied up. There would be a union for each phase of the industry, a fearful outlook.

The large multitude of workers in the nation fall into no particular craft and the Federation of Labor cannot profess to represent them. The truth is that the American Federation of Labor does not represent American labor but only a small part of it.

¹ Boston Globe June 6, 1934

If the Government enforces collective bargaining as the Federation of Labor wants it to, the A. F. of L. will cease to be a craft organization. It will go out of existence. Universal collective bargaining and craft organization cannot exist side by side.

On the other hand if the government fails to enforce the A. F. of L's idea of collective bargaining, the A. F. of L. suffers a great defeat. Indications are that this has already occurred.



BASIC PRINCIPLES OF JUSTICE FOR BOTH EMPLOYER AND EMPLOYEE

Opposition to a form of labor organization cannot be interpretated as hostility to labor. Those who sympathize most with workers and their problems have been obliged to criticise the A. F. of L. The workingman cannot look to the Federation for far-sighted enlightened leadership.

Nevertheless, a day of greater industrial Democracy is approaching. Labor's increased participation in
industry is inevitable. Such is only just. Selfish, grasping industrial imperialism is doomed. "The public be damned" attitude has been legislated out of business, though
it may still persist in some dark corners. In no way infringing upon the sacred constitutional rights of citizens,
the credo "My property is mine and I can do with it what I
please" will no longer be tolerated.

If we are a democracy, all aspects of industry must correspond to our ideals of a democracy. Because capital is harnessed and made to be socially minded, it is not a signal for labor to spring into the saddle and to ride the people until they again rise to smite the oppressor.

When President Roosevelt said "partnership" he meant a partnership and nothing else. He did not mean bossism by the A. F. of L.

. If labor is to merit popular support it too must conduct itself justly, mindful of its responsibility in the Social order.

An old human instinct it must be. If the oppressed are given a chance of rising, they too become oppressors.

Might and power are seemingly too much for mortals. It goes to their heads.

So old are the problems of labor that our great teachers of the ages past wrote down precepts by which we may well abide. No problem in itself is new. It may have new aspects, but the same human frailties are at the bottom of it all.

"Thou shalt not oppress a hired servant that is poor and needy, whether he be of thy brethren, or of thy strangers that are in thy land within thy gates. In the same day thou shalt give him his hire, neither shall the sun go down upon it; for he is poor, and setteth his heart upon it; lest he cry against thee unto the Lord, and it be a sin in thee."

Well might employers of this age follow this injunction. Every line of it is as true as it was the day it was written.

Providing even for the event of strife and strike, from Job:2

^{1.} Deuteronomy XXIV

^{2.} Job XXXT

.

"If I did despise the cause of my man servant or of my maid servant, when the contended with me... What then shall I do when God riseth up? And when He remembereth, What shall I answer Him? Did not He that made me, make him? And did not One fashion us both?"

In Ecclesiastes we read: That every man should eat and drink, and enjoy the good of all his labour, it is the gift of God." Paul said: "Every man should receive his own reward according to his own labour." Simple precepts but how they would avoid the bitterness of controversy if only applied!

Let us not forget that human life is sacred and that it must be guided by a valid ethical code. We must have some belief in a higher power, a sublime spiritual faith that motivates the elevation of man's conduct.

We are incapable of grasping the really large problems of life. We should be humble, tolerant, But we are not. Therein lies our difficulty. We are too pompous, too zealous for our own interests, and alas, forgetful of our duties and obligations.

Without faith there can be no character, and character is the price of Justice. Methods and forms of organization, however excellently conceived are destined to failure unless the captains are men of sterling character. No system can rise higher than the people who are



part of it. Communism can be as rotten as the rottenest system of capitalism. No system of economic and social order can render justice if the individuals are morally and spiritually bankrupt.

This thesis is brought to a close with these thoughts not because of a particular leaning, but because of a realization that here our problems of human relationships may find solution.

As humanity gropes its way and develops new social devices may the words of Micah inspire:
"It hath been told thee, 0 man, what is good, And what the Lord doth require of thee: Only to do justly, love mercy, and to walk humbly with Thy God."

D.A.L. July 2, 1934



Appendix

Reference page 70(2):

Iron Age of June 21, 1934 stated:
"The strike ballot was arranged through the initiative of the employees who desired the opportunity of officially registering their views on the strike question."

"The highest strike vote was at the Farrell Works of the Carnegie Steel Company, where 251 ballots were in favor of a walkout, and 3176 were against such a move. In this case the total strike vote represented 7½% of the total vote. At the other plants the strike vote ran below 5% of the total vote."

"At the Tennessee Coal, Iron, & Railroad Co.

for example,7964 employees were eligible to vote:6750

were at work at the plant during the two election days,
and 7003 voted, indicating that 253 not on duty made the trip
to the works in order to express their views. Of those
who voted,6811,or 97.3%, opposed a strike,119 favored
a strike and 73 ballots were voided.

"At the Duquesne plant of the Carnegie Steel Co.

over 86% of the eligible employees voted for employee
representation, and William Spang, president of the "Dukane"
lodge of the Amalgamated, and leader of the so-called
"rank" and "file" committee, recieved only three votes out

of the total of more than 4300 cast."

"Opposition to the Amalgamated Union was also indicated by the high participation of employees in the primary elections under the employee representation plan. Of more than 100,000 eligibles at the 25 plants where primaries were held, over 90% voted".

From the Christian Science Monitor, June 19,1934



PRESIDENT'S REEMPLOYMENT AGREEMENT

(Authorized by section 4(a) National Industry Recovery Act)

During the period of the President's emergency reemployment drive, that is to say, from August 1 to December 31, 1933, or to any earlier date of approval of a code of fair competition to which he is subject, the undersigned hereby agrees with the President as follows:

(1) After August 31, 1933, not to employ any person under 16 years of age, except that persons between 14 and 16 may be employed (but not in manufacturing or mechanical industries) for not to exceed 3 hours per day and those hours between 7 a.m. and 7 p.m. in such work as will not interfere with hours of day school.

(2) Not to work any accounting, clerical, banking, office, service, or sales employees (except outside salesmen) in any store, office, department, establishment, or public utility, or on any automotive or horse-drawn passenger, express, delivery, or freight service, or in any other place or manner, for more than 40 hours in any 1 week and not to reduce the hours of any store or service operation to below 52 hours in any 1 week, unless such hours were less than 52 hours per week before July 1, 1933, and in the latter case not to reduce such hours at all.

(3) Not to employ any factory or mechanical worker or artisan more than a maximum week of 35 hours until December 31, 1933, but with the right to work a maximum week of 40 hours for any 6 weeks within this period; and not to employ any worker more than 8 hours in any 1 day.

(4) The maximum hours fixed in the foregoing paragraphs (2) and (3) shall not apply to employees in establishments employing not more than two persons in towns of less than 2,500 population which towns are not part of a larger trade area; nor to registered pharmacists or other professional persons employed in their profession; nor to employees in a managerial or executive capacity, who now receive more than \$35 per week; nor to employees on emergency maintenance and repair work; nor to very special cases where restrictions of hours of highly skilled workers on continuous processes would unavoidably reduce production but, in any such special case, at least time and one third shall be paid for hours worked in excess of the maximum. Population for the purposes of this agreement shall be determined by reference to the 1930 Federal census.

(5) Not to pay any of the classes of employees mentioned in paragraph (2) less than \$15 per week in any city of over 500,000 population, or in the immediate trade area of such city; nor less than \$14.50

per week in any city of between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than \$14 per week in any city of between 2,500 and 250,000 population, or in the immediate trade area of such city; and in towns of less than 2,500 population to increase all wages by not less than 20 percent, provided that this shall not require wages in excess of \$12 per week.

(6) Not to pay any employee of the classes mentioned in paragraph (3) less than 40 cents per hour unless the hourly rate for the same class of work on July 15, 1929, was less than 40 cents per hour, in which latter case not to pay less than the hourly rate on July 15, 1929, and in no event less than 30 cents per hour. It is agreed that this paragraph establishes a guaranteed minimum rate of pay regardless of whether the employee is compensated on the basis of a time rate or on a piecework performance.

(7) Not to reduce the compensation for employment now in excess of the minimum wages hereby agreed to (notwithstanding that the hours worked in such employment may be hereby reduced) and to increase the pay for such employment by an equitable readjustment

of all pay schedules.

(8) Not to use any subterfuge to frustrate the spirit and intent of this agreement which is, among other things, to increase employment by a universal covenant, to remove obstructions to commerce, and to shorten hours and to raise wages for the shorter week to a

living basis.

(9) Not to increase the price of any merchandise sold after the date hereof over the price on July 1, 1933, by more than is made necessary by actual increases in production, replacement, or invoice costs of merchandise, or by taxes or other costs resulting from action taken pursuant to the Agricultural Adjustment Act, since July 1, 1933, and, in setting such price increases, to give full weight to probable increases in sales volume and to refrain from taking profiteering advantage of the consuming public.

(10) To support and patronize establishments which also have signed this agreement and are listed as members of N.R.A. (National

Recovery Administration).

(11) To cooperate to the fullest extent in having a code of fair competition submitted by his industry at the earliest possible date,

and in any event before September 1, 1933.

(12) Where, before June 16, 1933, the undersigned had contracted to purchase goods at a fixed price for delivery during the period of this agreement, the undersigned will make an appropriate adjustment of said fixed price to meet any increase in cost caused by the seller having signed this President's Reemployment Agreement or having become bound by any code of fair competition approved by the President.

(13) This agreement shall cease upon approval by the President of a code to which the undersigned is subject; or, if the N.R.A. so elects, upon submission of a code to which the undersigned is subject and substitution of any of its provisions for any of the terms of this agreement.

(14) It is agreed that any person who wishes to do his part in the President's reemployment drive by signing this agreement, but who asserts that some particular provision hereof, because of peculiar circumstances, will create great and unavoidable hardship, may obtain the benefits hereof by signing this agreement and putting it into effect and then, in a petition approved by a representative trade association of his industry, or other representative organization designated by N.R.A., may apply for a stay of such provision pending a summary investigation by N.R.A., if he agrees in such application to abide by the decision of such investigation. This agreement is entered into pursuant to section 4(a) of the National Industrial Recovery Act and subject to all the terms and conditions required by sections 7(a) and 10(b) of that act.

Dated, 1	.933.
(Sign here)	***************************************
(2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	(Name)
	(Official position)
	(Firm and corporation name)
	(Industry or trade)
	(Number of employees at the date of signing)
(Street)	
(Town or city)	(State)



NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

IRON AND STEEL INDUSTRY

AS APPROVED ON MAY 30, 1934

PRESIDENT ROOSEVELT



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Approved Code No. 11-Amendment No. 1

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

IRON AND STEEL INDUSTRY

As Approved on May 30, 1934

PRESIDENT ROOSEVELT

EXECUTIVE ORDER

REVISED CODE OF FAIR COMPETITION OF THE IRON AND STEEL INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act approved June 16, 1933, for my approval of certain amendments to the Code of Fair Competition of the Iron and Steel amendments to the Code of Fair Competition of the Iron and Steel Industry as approved on August 19, 1933, a copy of which amendments are hereto attached as Exhibit A, and the Administrator, having rendered his report showing that said amendments have been proposed, adopted and submitted for my approval, pursuant to the provisions of Section 1 of Article XII of said Code and having recommended that said application be granted;

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of said Act, and otherwise do adopt and approve the recom-

said Act, and otherwise, do adopt and approve the report, recommendations and findings of the Administrator and do hereby order that said amendments to said Code be, and they hereby are, approved and that said Code as amended by said amendments, a copy of which is hereto attached as Exhibit B, be and it hereby is approved, said revised Code incorporating said amendments to become effective on June 11, 1934, prior to which effective date the Code of Fair Competition approved August 19, 1933, shall continue in full force and

In connection with the foregoing approval I desire to make two

1. Conditions of economic emergency make necessary the retention in modified form of the multiple basing point system adopted in the original code and effective in the industry for many years. But revisions made in this Code, increasing substantially the number of basing points, and modifications in practice under the Code, while alleviating some of the inequities in the existing system, illustrate the desirability of working toward the end of having prices quoted on the basis of areas of production and the eventual establishment of basing points coincident with all such areas, as well as the elimination of artificial transportation charges in price quotations. Therefore, I have directed the Federal Trade Commission and the National Recovery Administration to study further and jointly the operation of the basing point system and its effect on prices to consumers, and any effects of the existing system in either permitting or encouraging price fixing, or providing unfair competitive advantages for producers, or disadvantages for consumers not based on actual causes. I have requested that the results of this study be reported to me within six months, together with any recommendations for revisions of the Code, in accordance with the conclusions reached.

2. In order to insure the free exercise of the rights of employees under the provisions of Section 7 of this Act and of Article IV of this Code, I will undertake promptly to provide, as the occasion may demand, for the election by employees in each industrial unit of representatives of their own choosing for the purpose of collective bargaining and other mutual aid and protection, under the supervision of an appropriate governmental agency and in accordance

with suitable rules and regulations.

FRANKLIN D. ROOSEVELT.

Approval recommended:
Hugh S. Johnson,
Administrator.

THE WHITE HOUSE, May 30, 1934.

LETTER OF TRANSMITTAL

The PRESIDENT.

The White House.

Sir: The revisions of the Steel Code which have been agreed to by the Code Authority include (1) revisions resulting from the insistence of representations of N.R.A. that changes should be made to meet justifiable complaints and criticisms of the Code; and (2) revisions proposed by the Code Authority to improve the workability of the Code and the fair application of its requirements.

We will summarize the more important changes:

PRICE PROVISIONS

1. The previous power of the Code Authority to set aside an "unfair" price filing and to fix a "fair base price" is annulled by striking out Section 5 of Schedule E of the Code approved August 19, 1933. There is no minimum price or "cost recovery" provision now left in the Code.

2. The basing point system has been revised (Schedule F) by adding new basing points to take care of outstanding complaints (such as Worcester, Mass., Duluth, Minn., Corpus Christi, Tex., Stockton, Cal.). Criticisms of basing point prices are also met in part by providing for modification of transportation charges and

price filing requirements, as hereafter shown.

3. All-rail transportation charges, which are included in delivered prices quoted under the Code, may be reduced when delivery is by other means (such as water or motor transportation) at rates approved by the Code Authority as "equitable and necessary in order that competitive opportunity to producers and consumers shall be maintained"—(Schedule E, Sec. 4), subject to review of such action by the Administrator. (Art. XI, Sec. 6.) By a further revision of the Code sales below a published base price or delivered price may be authorized by the Code Authority—also subject to review by the Administrator. Under these revised provisions various complaints of producers and consumers are already in process of adjustment.

4. The price filing provision has been revised to permit any producer to meet a lower price quoted by a competitor without waiting ten days (Schedule E, Section 2). Under the Code also any producer can quote as *his* price the lowest base price filed by any competitor at a basing point where he himself does not file. (Sched-

ule E, Sec. 3.)

LABOR PROVISIONS

1. The 8 hour day is now established unconditionally for the entire industry by an amendment of Art. IV. The average 40 hour week and maximum 6 day week is retained.

The labor provisions of the Code have operated to produce great benefits for the wage earners, but have also given rise to conflicts concerning the right of labor organization and collective bargaining, which call imperatively for better assurances than are now provided, that employees may exercise the rights provided in Section 7 (a) of the National Industrial Recovery Act.

The rights of labor organization are clearly defined in the Act and in the Code, but the most serious complaints which have been received during the trial period have been the complaints that exercises of these rights has been restrained in violation of the law. It cannot be suggested, however, that labor would benefit in the present situation by a cancellation of the Code. Indeed the complaint is not against the provisions of the Code, but against disregard for these provisions.

LABOR BENEFITS UNDER THE CODE

The benefits derived by labor from this Code may be summarized in the following comparison of employment and earnings in June, 1933 and April, 1934:

	June 1933	April 1934	Change for April 1934 as compared with June 1933
Grand total all employees: Total number employees Total wages and salaries Average hours per week Average earnings per hour Total hours worked. Wage earners (employees receiving hourly, tonnage, or piecework rates): Number of wage earners Total wages. A verage hours per week A verage earnings per hour. A vcrage earnings per week. Total hours worked.	338, 146 \$30, 560, 761 39. 7 53. 0¢ 57, 555, 359 305, 329 \$24, 441, 054 47. 3¢ \$18. 64 51, 645, 321	\$45, 471, 878 34, 4 71, 4¢ 63, 690, 525 392, 069 \$36, 778, 026 33, 7 64, 8¢	Decrease 5.3 hours, or 13.4%. Increase 18.4¢, or 34.7%. Increase 10.6%. Increase 86,830, or 28.4%. Increase \$12,336,972, or 50.4%. Decrease 5.7 hours, or 14.5%.

By Comparing the foregoing figures with the year 1929 it appears that, in April 1934, although the industry was then operating at less than 75% of its 1929 operations, it was employing nearly as many employees as the average for the year 1929.

CONSUMERS INTERESTS UNDER THE CODE

A comparison of the first six months of 1933 with the last six months of 1933 shows that total income of 190 companies increased by approximately \$54,000,000 while the total payroll increase was approximately \$108,000,000. The consumers therefore bore only one-half on the burden of payroll increases.

SMALL ENTERPRISES UNDER THE CODE

Reports for 1933 show that 57 companies producing steel ingots (the large, integrated companies) increased payrolls \$100,000,000; increased income only \$44,000,000; and showed a net loss of nearly \$65,000,000; while 133 smaller, non-integrated companies increased payrolls \$8,000,000,000; increased income \$10,000,000 and showed a net profit of over \$5,000,000. The larger companies in the aggregate lost 34 of 1% on their reported investment and the smaller com-

panies earned over 134% on their investment.

It is evident in the light of these figures that consumers were not being exploited and that small enterprises were not being oppressed under the Code. It is also clear beyond question that employment and wage payments have increased remarkably under the Code, and the standard of living of the average worker has been substantially improved.

CONCLUSION

It is our recommendation that a continuance of the Code, as revised in accordance with the amendments approved by the NRA and agreed to by the Code Authority, is desirable, with the distinct understanding that we believe the Code can be and should be subject to further revision and that the members of the industry should cooperate with the representatives of the government in bringing about full and unquestioned compliance with the requirements of the law and the Code which protect the rights of employees in selforganization and collective bargaining.

> Hugh S. Johnson, Administrator. K. M. SIMPSON, DONALD R. RICHBERG,

May 29, 1934. 64647°----657-12----34----2

CODE OF FAIR COMPETITION OF THE IRON AND STEEL INDUSTRY

ARTICLE I—DEFINITIONS

Wherever used in this Code or in any schedule appertaining hereto the terms hereinafter in this Article and in Schedule E annexed hereto defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Article and in such Schedule E set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and vice versa.

Section 1. The term "the United States" means and includes all of the territory of the United States of America on the North Amer-

Section 2. The term "the President" means the President of the United States of America.

Section 3. The term "products" means the iron or steel products which are generally named in Schedule F annexed hereto as at the time in effect and standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor, or any of such products.

Section 4. The term "the Industry" means and includes the business of producing in the United States and selling products, or any of them.

Section 5. The term "member of the Industry" means and includes any person, firm, association or corporation operating a plant or plants in the United States for the production of products, or any of them.

Section 6. The term "the Code" means and includes this Code and all schedules annexed hereto as originally approved by the President and all amendments hereof and thereof made as hereinafter in Article XII provided.

Section 7. The term "member of the Code" means any member of the Industry who shall have become a member of the Code as

hereinafter in Section 3 of Article III provided.
Section 8. The term "the Institute" means American Iron and
Steel Institute, a New York membership corporation.
Section 9. The term "the Board of Directors" means the Board

of Directors (as from time to time constituted) of the Institute. Section 10. The term "the Secretary" means the secretary of

the Institute at the time in office.

Section 11. The term "the Treasurer" means the treasurer of the Institute at the time in office.

Section 12. The term "unfair practice" means and includes any act described as an unfair practice in Schedule H annexed hereto.

Section 13. Wherever used in the Code with reference to the Industry or any member of the Industry or any member of the Code, unless the context shall otherwise clearly indicate,

(a) the term "plant" means only a plant for the production of one or more products in the Industry;

(b) the term "prices" includes only prices for products produced

in the Industry;
(c) the term "wages" includes only wages for labor performed

in the Industry;
(d) the term "labor" means only labor performed in the In-

dustry;

(e) the term "hours of labor" or "hours of work" includes only hours of labor or hours of work in the Industry; and

(f) the term "employee" means only an employee in the In-

dustry.

Section 14. The term "the National Industrial Recovery Act" means the National Industrial Recovery Act as approved by the

President June 16, 1933.

Section 15. The term "the effective date of the Code" means the date on which the Code shall have been approved by the Presi-

dent pursuant to the National Industrial Recovery Act.

Section 16. The term "the Administrator" means the Administrator appointed by the President under the National Industrial Recovery Act and at the time in office.

Section 17. The term "the Administration" means the agency established pursuant to the provisions of Section 2 of the National

Industrial Recovery Act.

ARTICLE II—PURPOSE OF THE CODE

Section 1. The Code is adopted pursuant to Title I of the Na-

tional Industrial Recovery Act.

Section 2. The purpose of the Code is to effectuate the policy of Title I of the National Industrial Recovery Act in so far as it is applicable to the Industry.

ARTICLE III—MEMBERSHIP IN THE CODE

Section 1. It is of the essence of the Code that all members of the Industry which shall comply with the provisions of the Code shall be entitled to participate in its benefits upon the terms and conditions set forth in the Code.

Section 2. Any member of the Industry is eligible for member-

ship in the Code.

Section 3. Any member of the Industry desiring to become a member of the Code may do so by signing and delivering to the Secretary a letter substantially in the form set forth in Schedule A annexed hereto.

Section 4. The rules and regulations in respect of meetings of members of the Code are set forth in Schedule B annexed hereto.

ARTICLE IV—Hours of Labor, Rates of Pay and Other Conditions OF EMPLOYMENT

Section 1. Pursuant to subsection (a) of Section 7 of the National Industrial Recovery Act and so long as the Code shall be in effect, the Code shall be subject to the following conditions:

(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

(2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organi-

zation of his own choosing; and
(3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment,

approved or prescribed by the President.

Section 2. Since the beginning of the present depression and the consequent reduction in the total number of hours of work available in the Industry, its members have made every effort to distribute, and with a remarkable degree of success have distributed, the hours of work available in their plants so as to give employment to the maximum number of employees. It is the intention of the Industry to continue that policy in so far as practicable, to the end that the policy of Title I of the National Industrial Recovery Act may be effectuated, and that work in the Industry shall in so far as practicable be distributed so as to provide employment for the employees normally attached to the Industry. The basic processes in the Industry are of a continuous character and they cannot be changed in this respect without serious adverse effect upon production and employment. As demand for the products of the Industry and, therefore, for labor shall increase, hours of labor for employees in the Industry must necessarily increase; but, except in the case of executives, those employed in supervisory capacities and in technical work and their respective staffs and those employed in cmergency work, in so far as practicable and so long as employees qualified for the work required shall be available in the respective localities where such work shall be required and having due regard for the varying demands of the consuming and processing industries for the respective products, none of the members of the Code shall cause or permit any employee to work at an average of more than 40 hours per week in any six months period or to work more than 48 hours or more than 6 days in any one week or more than 8 hours in any one day. For the purposes of this Section 2 the first six months period for each employee in the employ of any member of the Code at the effective date thereof shall begin with that date, and the first six months period for any employee thereafter employed by any member of the Code shall begin with the date of employment of such employee by such member. After the date of the employment by any member of the Code of any employee such member shall not knowingly permit such employee who also shall have performed work for one or more other employers to work for such member such number of hours as would result in a violation of the Code had all such work been performed for such member.

Section 3. None of the members of the Code shall employ in or about its plants in the Industry any person under 16 years of age.

Section 4. Throughout the history of the Industry geographical wage differentials have existed, due in the main to differences in living costs and general economic conditions and the ability adequately to man the industries in the respective localities. The establishments in the Industry in the different localities have been developed under such differences in wages and, after a survey of the matters bearing on such differences in the various sections of the United States, for the purposes of this Article IV the wage districts described in Schedule C annexed hereto have been established.

SECTION 5. Until changed by amendment of the Code as hereinafter in Article XII provided, the minimum rates of pay per hour which shall be paid by members of the Code for common labor (not including that of apprentices and learners) in the Industry in the respective wage districts described in such Schedule C shall be the rates set forth in Schedule D annexed hereto. None of the members of the Code shall pay common laborers (not including apprentices and learners) in its employ in the Industry in any such district any rate of pay less than the rate specified for such district in such Schedule D, and any violation of this provision of the Code shall be deemed an unfair practice. Such rates of pay shall not, however, be understood to be the maximum rates of pay for their respective districts, but, until changed as aforesaid, none of the members of the Code shall be required to pay its common laborers in the Indus-try in any of such districts a rate of pay higher than the rate speci-fied for such district in such Schedule D, except as such member shall have agreed to pay such higher rate in any agreement heretofore or hereafter made by such member with its employees. Until this provision shall have been changed by amendment as aforesaid, each member of the Code will pay to each of its employees in the Industry who on July 14, 1933, was receiving pay at a rate of pay per hour in excess of the rate of pay per hour then being paid by such member for common labor a rate of pay per hour which shall be at least 15% greater than that which such employee was then receiving; provided, however, that the foregoing provision shall not be so construed as to require any member of the Code to make any increase in the rate of pay per hour to be paid by such member to any of its employees in any wage district that will result in a rate of pay per hour which shall be higher than the rate of pay per hour paid to employees doing substantially the same class or kind of labor in the same wage district by any other member of the Code which shall have increased its rates of pay per hour in accordance with such provision. In the case of employees (not including apprentices and learners) performing work for which they are paid per piece of work performed, the minimum rate of pay which each member of the Code shall pay for such work shall be sufficient to produce the minimum rate of pay per hour provided in the Code for common labor at such plant. for common labor at such plant.

ARTICLE V—PRODUCTION AND NEW CAPACITY

Section 1. It is the consensus of opinion in the Industry that it is not necessary, in order to effectuate the policy of Title I of the National Industrial Recovery Act, to make any specific provision in the Code for controlling or regulating the volume of production

in the Industry or for allocating production or sales among its members. It is believed that the elimination of unfair practices in the Industry will automatically eliminate any overproduction therein and any alleged inequities in the distribution of production and sales among its members. Adequate provision shall be made under the Code for the collection of statistics regarding production and of other data from which it may be determined from time to time whether overproduction in the Industry exists and whether in the circumstances any restriction of production is necessary in order to effectuate the policy of such Title I. The Board of Directors shall furnish to the Administrator summaries or compilations of such statistics and other data in reasonable detail. Should it at any time in the circumstances as they shall then exist appear to the Board of Directors that the policy of such Title I will not be effectuated in the Industry because of the fact that through the Code production therein is not controlled and regulated, then the Board of Directors is hereby empowered, subject to the approval of the President after such conference with or hearing of interested persons as he may prescribe, to make, modify or rescind such rules and regulations for the purpose of controlling and regulating production in the Industry, including the fixing of such liquidated damages for violations of such rules and regulations, as such Board shall deem to be necessary or proper in order to effectuate the policy of such Title I. All such rules and regulations from time to time so made and in effect shall be binding upon each member of the Code to which notice thereof

shall have been given.

Section 2. It is also the consensus of opinion in the Industry that, until such time as the demand for its products cannot adequately be met by the fullest possible use of existing capacities for producing pig iron and steel ingots, such capacities should not be increased. Accordingly, unless and until the Code shall have been amended as hereinafter provided so as to permit it, none of the members of the Code shall initiate the construction of any new blast furnace or open hearth or Bessemer steel capacity. The President may, however, suspend the operation of the provisions of this Section.

ARTICLE VI—ADMINISTRATION OF THE CODE

SECTION 1. The administration of the Code shall be under the direction of the Board of Directors. The Board of Directors shall have all the powers and duties conferred upon it by the Code and generally all such other powers and duties as shall be necessary or proper to enable it fully to administer the Code and to effectuate its purpose.

Section 2. The Secretary shall act as Secretary under the Code. Under the direction of the Board of Directors, he shall keep all books (except books of account) and records under the Code and, except as such Board shall otherwise provide, shall collect, file and collate all statistics and other information required by the Board of Directors for the proper administration of the Code.

Section 3. The Treasurer shall act as Treasurer under the Code and, under the direction of the Board of Directors, he shall have

custody of, and have charge of the disposition of, all funds collected under the Code; and he shall keep proper books of account showing

the collection and disposition thereof.

Section 4. The Board of Directors shall have power from time to time (a) to appoint and remove, and to fix the compensation of, all such other officers and employees and all such accountants, attorneys and experts, as said Board shall deem necessary or proper for the purpose of administering the Code and (b) to fix the compensation of the Secretary and the Treasurer for their services in acting under the Code.

Section 5. The expenses of administering the Code shall be borne by the members thereof. The Board of Directors may from time to time make such assessments on account of such expenses against the members of the Code as it shall deem proper and such assessments shall be payable as such Board shall specify. The part of such expenses which shall be assessed against each member of the Code shall bear the same relation to the total thereof as the aggregate amount in dollars of the invoiced value of the products delivered by such member for consumption within the United States during the preceding calendar year shall bear to the aggregate amount in dollars of the invoiced value of the products delivered by all the members of the Code for consumption within the United States during such calendar year. Failure of any member of the Code to pay the amount of any assessment against such member for a period of thirty days after the date on which it became payable shall constitute a violation of the Code.

Section 6. The Board of Directors may from time to time appoint such committees as it shall deem necessary or proper in order to effectuate the purpose of the Code, and it may delegate to any such committee generally or in particular instances such of the powers and duties of the Board of Directors under the Code as such Board shall deem necessary or proper in order to effectuate such purpose. Any member of any such committee may be a member of the Board of Directors or an officer or a director of a member of the Code or a person not having any official connection with any member of the Code or with the Institute, as the Board of Directors shall deem

proper.

Section 7. The members of the Code recognize that questions of public interest are or may be involved in its administration. Accordingly, representatives of the Administration consisting of the Administrator and one or two other persons appointed by him (who shall be persons not having or representing interests antagonistic to the interests of members of the Industry) shall be given full opportunity at such times as shall be reasonably convenient to discuss with the Board of Directors or any committees thereof any matters relating to the administration of the Code and to attend meetings of the Board at which action on any such matters shall be undertaken and to make recommendations as to methods or measures of administering the Code. Due notice of all such meetings of the Board of Directors shall be given to such representatives of the Administration. The records of the Board of Directors relating in any way to the administration of the Code shall be open to such representatives at all reasonable times. They shall be afforded by

the Board of Directors complete access at all times to all records, statistical material or other information furnished or readily available to the Board of Directors in connection with, or for the purposes of, the administration of the Code. The Board of Directors, acting directly or through one or more committees appointed by it, shall give due consideration to all requests, suggestions or recoinmendations made by such representatives of the Administration and render every possible assistance to such representatives in obtaining full information concerning the operation and administration of the Code, to the end that the President may be fully advised regarding such operation and administration through reports that may be made to him from time to time by such representatives, and to the end that the President may be assured that the Code and the administration thereof do not promote or permit monopolies or monopolistic practices, or eliminate or oppress small enterprises, or operate to discriminate against them and do provide adequate protection of consumers, competitors, employees and others concerned and that they are in furtherance of the public interest and operate to effectuate the purposes of Title I of the National Industrial Recovery Act.

ARTICLE VII—PRICES AND TERMS OF PAYMENT

None of the members of the Code shall make any sale of any product at a price or on terms and conditions more favorable to the purchaser thereof than the price, terms or conditions established by such member in accordance with the provisions of Schedule E annexed hereto and in effect at the time of such sale; nor, except as otherwise provided in such Schedule E, shall any member of the Code make any contract of sale of any product at a price or on terms and conditions more favorable to the purchaser thereof than the price, terms and conditions established as aforesaid and in effect at the time of the making of such contract of sale.

ARTICLE VIII—UNFAIR PRACTICES ·

For all purposes of the Code the acts described in Schedule H annexed hereto shall constitute unfair practices. Such unfair practices and all other practices which shall be declared to be unfair practices by the Board of Directors as provided in paragraph P of such Schedule H or by any amendment to the Code adopted as hereinafter in Article XII provided and at the time in effect shall be deemed to be unfair methods of competition in commerce within the meaning of the Federal Trade Commission Act as amended, and the using or employing of any of them shall be deemed to be a violation of the Code, and any member of the Industry which shall directly, or indirectly through any officer, employee, agent or representative, knowingly use or employ any of such unfair practices shall be guilty of a violation of the Code.

ARTICLE IX—REPORTS AND STATISTICS

Section 1. The Board of Directors shall have power from time to time to require each member of the Code to furnish to the Secretary for the use of the Board of Directors such information concern-

ing the production, shipments, sales and unfilled orders of such member and the hours of labor, rates of pay and other conditions of employment at the plant or plants of such member and such other information as the Board of Directors shall deem necessary or proper in order to effectuate the purpose of the Code and the policy of Title I of the National Industrial Recovery Act. The Board of Directors may require that any such information be furnished periodically at such times as it shall specify and may require that any or all information furnished be sworn to or otherwise certified or authenticated as it shall prescribe. Failure of any member of the Code promptly to furnish to the Secretary information required by the Board of Directors and substantially in the form prescribed by it shall constitute a violation of the Code. The Board of Directors shall not require any information regarding trade secrets or the names of the customers of any member of the Code.

Section 2. Any or all information furnished to the Secretary by any member of the Code shall be subject to checking for the purpose of verification by an examination of the books and accounts and records of such member by any accountant or accountants or other person or persons designated by the Board of Directors and shall be so checked for such purpose, if the Board of Directors shall require it. The cost of each such examination shall be treated as an expense of administering the Code; provided, however, that, if upon such examination any such information shall be shown to have been incorrect in any material respect, such cost shall be paid by the member of the Code which furnished such information.

SECTION 3. The Board of Directors shall require the members of the Code from time to time to furnish such information as shall

be necessary for the proper administration of the Code.

Section 4. To the extent that the Board of Directors may deem that any information furnished to the Secretary in accordance with the provisions of the Code is of a confidential character in the interest of the member of the Code which shall have furnished it and that the publication thereof is not essential in order to effectuate the policy of Title I of the National Industrial Recovery Act, such information shall be treated by the Board of Directors and by the other members of the Code, if any knowledge of it shall have come to them, as strictly confidential; and no publication thereof to anyone or in any manner shall be made other than in combination with similar information furnished by other members of the Code, in which case the publication shall be made only in such manner as will avoid the disclosing separately of such confidential information.

Section 5. Summaries or compilations in reasonable detail of all information which shall be furnished to the Secretary pursuant to the provisions of this Article IX shall be made periodically and sent to the Administrator.

ARTICLE X-PENALTIES AND DAMAGES

Section 1. Any violation of any provision of the Code by any member of the Industry shall constitute a violation of the Code by such member.

Section 2. Recognizing that the violation by any member of the Code of any provision of Article VII or of Schedule E of the Code will disrupt the normal course of fair competition in the Industry and cause serious damage to other members of the Code and that it will be impossible fairly to assess the amount of such damage to any member of the Code, it is hereby agreed by and among all members of the Code that each member of the Code which shall violate any such provision shall pay to the Treasurer as an individual and not as treasurer of the Institute, in trust, as and for liquidated damages the sum of \$10 per ton of any products sold

by such member in violation of any such provision.

Section 3. Except in cases for which liquidated damages are fixed in the Code and in cases which shall give rise to actions in tort in favor of one or more members of the Code for damages suffered by it or them, the Board of Directors shall have power from time to time to establish the amount of liquidated damages payable by any member of the Code upon the commission by such member of any act constituting an unfair practice under the Code and a list of the amounts so fixed shall from time to time be filed with the Secretary. Upon the commission by any member of the Code of any act constituting an unfair practice under the Code and for which liquidated damages are not fixed in the Code or which does not give rise to an action in tort in favor of one or more members of the Code for damages suffered by it or them, such member shall become liable to pay to the Treasurer as an individual and not as treasurer of the Institute, in trust, liquidated damages in the amount at the time established by the Board of Directors for such unfair practice and specified in the list then on file with the Secretary as aforesaid.

Section 4. All amounts so paid to or collected by the Treasurer under this Article X or under Section 4 of Schedule E of the Code shall be held and disposed of by him as part of the funds collected under the Code and each member of the Code not guilty of the unfair practice in respect of which any such amount shall have been paid or collected shall be credited with its pro rata share of such amount on account of any and all assessments (other than damages for violation of any provision of the Code) due or to become due from such member under the Code, or, in the case of any excess, as shall be determined by the Board of Directors, such pro rata share to be computed on the same basis as the last previous assessment made against such member on account of the expenses of administering the Code as hereinbefore in Section 5 of Article VI provided. All rights of any person who shall at any time be the Treasurer in respect of any amounts which shall be payable to him because of the commission by any member of the Code of any act constituting an unfair practice under the Code, whether payable under the provisions of this Article X or under any other provision of the Code, shall pass to and become vested in his successor in office upon the appointment of such successor.

Section 5. Each member of the Code by becoming such member agrees with every other member thereof that the Code constitutes a valid and binding contract by and among all members of the Code, subject, however, to the provisions of Section 7 of Article XI, and that, in addition to all penalties and liabilities imposed by statute, any violation of any provision of the Code by any member thereof shall constitute a breach of such contract and shall subject the member guilty of such violation to liability for liquidated damages pursuant to the provisions of the Code. Each member of the Code by becoming such member thereby assigns, transfers and delivers to the Treasurer as an individual and not as treasurer of the Institute, in trust, all rights and causes of action whatsoever which shall thereafter accrue to such member under the Code for such liquidated damages by reason of any violation of the Code by any other member thereof, and thereby designates and appoints the Treasurer as such individual the true and lawful attorney-in-fact of such member to demand, sue for, collect and receipt for any and all amounts which shall be owing to such member in respect of any such right or cause of action, and to compromise, settle, satisfy and discharge any such right or cause of action, all in the name of such member or in the name of the Treasurer individually, as he shall elect.

Section 6. Anything in the Code to the contrary notwithstanding, the Board of Directors by the affirmative vote of two-thirds of the whole Board may waive any liability for liquidated damages imposed by or pursuant to any provision of the Code for any violation of any provision thereof, if in its discretion it shall decide that such violation was innocently made and that the collection of such damages will not to any material extent tend to effectuate the policy of Title I of the National Industrial Recovery Act.

ARTICLE XI—GENERAL PROVISIONS

Section 1. Any notice, demand or request required or permitted to be given to or made upon any member of the Code shall be sufficiently given or made if mailed postage prepaid addressed to such member at the address of such member on file with the Secretary. A waiver in writing signed by any member of the Code of any such notice, demand or request and delivered to the Secretary shall be deemed to be the equivalent of a notice, demand or request duly given or made, whether or not such waiver was signed and delivered before the time when such notice, demand or request was required

or permitted to be given or made.

Section 2. Nothing contained in the Code shall be deemed to constitute the members of the Code partners for any purpose. None of the members of the Code shall be liable in any manner to anyone for any act of any other member of the Code or for any act of the Board of Directors, the Treasurer or the Secretary, or any committee, officer or employee appointed under the Code. None of the members of the Board of Directors or of any committee appointed under the Code, nor the Treasurer, nor the Secretary, nor any officer or employee appointed under the Code, shall be liable to anyone for any action or omission to act under the Code, except for his wilful misfeasance or nonfeasance. Nothing contained in the Code shall be deemed to confer upon anyone other than a member of the Code any right, claim or demand whatsoever not expressly provided by statute against any member of the Code or against any member of the

Board of Directors or of any committee appointed under the Code or against the Treasurer or the Secretary or any officer or employee

appointed under the Code.

Section 3. As soon as members of the Industry which would, if then members of the Code, have the right to cast at least 75% of all the votes that might be cast at a meeting of the members of the Code, if all members of the Industry were then members of the Code and present at such meeting, shall sign and deliver to the Secretary letters substantially in the form set forth in Schedule A annexed hereto, the Board of Directors shall submit the Code to the President pursuant to the provisions of Title I of the National Industrial Recovery Act and, upon the approval of the Code by the President pursuant to the provisions of such Title I, it shall constitute a binding contract by and among the members of the Code and the provisions thereof shall be the standards of fair competition for the Industry; subject, however, to amendment or termination as hereinafter in Article XII provided, and subject also to the provisions of Section 7 of this Article XI.

Section 4. To the extent required or made possible by or under the provisions of Title I of the National Industrial Recovery Act the provisions of the Code shall apply to and be binding upon every member of the Industry, whether or not such member shall be a member of the Code. No member of the Industry which shall not also be a member of the Code shall be entitled to vote at any meeting of members of the Code or to any other right, power or privilege

provided in the Code for the members thereof.

Section 5. The Board of Directors shall have power from time to time to interpret and construe the provisions of the Code, including, but without any limitation upon the foregoing, the power to determine what are products within the meaning of that term as it is used in the Code. Any interpretation or construction placed upon the Code by the Board of Directors shall be final and con-

clusive upon all members of the Code.

Section 6. In case any action taken by the Board of Directors in the exercise of the power vested in it by the provisions of the Code may appear to the Administrator to constitute a modification of the Code or an exemption of any one or more members of the Industry from the application of the provisions of the Code, the Administrator may require that such action be suspended in order to afford an opportunity for investigation by him of the merits of such action and further consideration thereof by the Board of Directors. Pending the determination on such investigation or further consideration, such action shall not become effective, unless the Administrator shall approve it or unless he shall fail to disapprove it after thirty (30) days notice to him of intention to proceed with such action in its original or modified form.

Section 7. The members of the Code recognize that, pursuant to subsection (b) of Section 10 of the National Industrial Recovery Act, the President may from time to time cancel or modify any order, approval, license, rule or regulation issued under Title I

of said Act.

ARTICLE XII—AMENDMENTS—TERMINATION

Section 1 provided. The changing of any schedule hereto or the addition hereto of any new schedule shall constitute an amendment of the Code. All amendments shall be proposed by the Board of Directors by vote of the majority of the members thereof at the time in office. Each amendment so proposed shall be submitted to a meeting of the members of the Code which shall be called for such purpose upon notice given in accordance with the provisions of Section 1 of Schedule B and Section 1 of Article XI of the Code. If at such meeting members of the Code having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall vote in favor of the adoption of such amendment, such amendment shall be submitted by the Board of Directors to the President for approval, if approval thereof by him shall then be required by law. Every such amendment shall take effect as a part of the Code upon the adoption thereof by the members of the Code as above provided and the approval thereof by the President, if approval thereof by him shall be required as aforesaid.

Section 2. The Code may be terminated at any time either by action of the President as hereinbefore provided or by the same vote of the members of the Code as is above provided for the amendment thereof. When so terminated all obligations and liabilities under the Code shall cease, except those for unpaid assessments theretofore made in accordance with the provisions of the Code and those for liquidated damages theretofore accrued under any provision of the

Code.

Approved Code No. 11.—Amendment No. 1. Registry No. 1116-02.

SCHEDULE A

FORM OF LETTER OF ASSENT TO THE CODE

, 19 .

To the Secretary of

AMERICAN IRON AND STEEL INSTITUTE,

Empire State Building, New York, N.Y.

Dear Sir: The undersigned, desiring to become a member of the Code of Fair Competition of the Iron and Steel Industry, a copy of which is annexed hereto marked Annex A, hereby assents to all of the provisions of said Code (hereinafter referred to as the Code), and, effective as of the date on which the Code shall have been approved by the President of the United States of America as therein provided, or as of the date on which this letter shall have been delivered, if delivery thereof shall have been made subsequent to the date on which the Code shall have been approved by said President as aforesaid, by the signing and delivery of this letter becomes a member of the Code and effective as aforesaid hereby agrees with every person, firm, association and corporation who shall then be or thereafter become a member of the Code that the Code shall constitute a valid and binding contract between the undersigned and all such other members.

Effective as aforesaid, pursuant to Section 5 of Article X of said Code, the undersigned (a) hereby assigns, transfers and delivers to the Treasurer under the Code, as an individual and not as treasurer of American Iron and Steel Institute, in trust, all rights and causes of action whatsoever hereafter accruing to the undersigned under the Code for liquidated damages by reason of any violation thereof by anyone, and (b) hereby designates and appoints said Treasurer as such individual the true and lawful attorney-in-fact of the understanding the code of the understanding that the code of the understanding the code of the understanding that the code of the understanding the code of the understanding that the code of the understanding the code of the understanding that the code of the understanding signed, to demand, sue for, collect and receipt for any and all amounts which shall be owing to the undersigned in respect of any such right or cause of action, and to compromise, settle, satisfy and discharge any such right or cause of action, all in the name of the undersigned or in the name of said Treasurer,

as sald Treasurer shall elect.

For all purposes of Section 1 of Article XI of the Code the address of the undersigned, until it shall file with the Secretary of American Iron and Steel Institute written notice of a change of such address, shall be as set forth at the foot of this letter.

Very truly yours,

Address:

SCHEDULE B

THE RULES AND REGULATIONS IN RESPECT OF MEETING OF MEMBERS OF THE CODE

Section 1. A meeting of members of the Code may be called and held at any time by order of the Board of Directors, or by members of the Code having the right to cast at least 50% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, on not less than three days' notice to each of such members stating the time and place of such meeting

and the purposes thereof.

Section 2. At each meeting of the members of the Code each member thereof shall have as many votes as shall equal the quotient obtained by dividing by 500,000 the aggregate amount in dollars of the invoiced value of the products delivered by such member for consumption within the United States during the preceding calendar year. Fractions in such quotient shall be disregarded; provided, however, that each member of the Code shall have at least one vote. All questions as to the number of votes which each member of the Code shall be entitled to cast at any meeting of the members thereof shall be determined by the Board of Directors. Any person or firm who shall be a member of the Code may, and any association or corporation which shall be a member of the Code shall, vote at meetings of the members of the Code by proxy in writing duly executed by such member and filed with the Secretary. Any such proxy may be for a specified meeting or be a general proxy for any or all meetings that may be held until such proxy shall have been revoked by an instrument in writing duly executed by the member of the Code which gave such proxy and filed with the Secretary.

SECTION 3. At each meeting of the members of the Code, members thereof having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall

constitute a quorum for the transaction of business at such meeting.

SCHEDULE C

DESCRIPTION OF WAGE DISTRICTS

1. EASTERN DISTRICT.—Comprises that part of the United States which is north of the State of Virginia and east of a line drawn north and south through the most easterly point of Altoona, Pennsylvania; that part of the State of Maryland which is west of such line; and the Counties of Monongalia, Marion and Harrison in the State of West Virginia.

2. JOHNSTOWN DISTRICT.—Comprises Cambria County and the City of Al-

toona in the State of Pennsylvania,

3. PITTSBURGH DISTRICT.—Comprises the Counties of Westmoreland, Fayette, Greene, Washington, Allegheny, Beaver, Butler, Armstrong and Jefferson and that part of the County of Clearfield which is west of a line drawn north and south through the most easterly point of Altoona, all in the State of Pennsylvania.

4. Youngstown Valley District.—Comprises the Counties of Lawrence, Mercer and Venango in the State of Pennsylvania and the Counties of Trum-

bull, Mahoning and Columbiana in the State of Ohio.

5. NORTH OHIO RIVER DISTRICT.—Comprises the cities along the Ohio River north of the City of Parkersburg, West Virginia, and the Counties of Belmont and Jefferson in the State of Ohio and the Counties of Marshall, Ohio, Brook and Hancock in the State of West Virginia.

6. CANTON, MASSILLON AND MANSFIELD DISTRICT.—Comprises the Counties of Stark, Tuscarawas, Summit, Richland and Marion in the State of Ohio.

7. CLEVELAND DISTRICT.—Comprises the Counties of Ashtabula, Lake, Cuya-

hoga and Lorain in the State of Ohio.

8. Buffalo District.—Comprises that part of the State of New York west of a line drawn north and south through the most easterly point of Altoona, Pennsylvania, and the Counties of Erie, Crawford and Warren in the State of Pennsylvania.

9. DETROIT-TOLEDO DISTRICT.—Comprises the Counties of Seneca and Lucas in the State of Ohio and the Counties of Monroe, Lenawee, Jackson, Wayne,

Oakland, Macomb and Washtenaw in the State of Michigan.

10. SOUTH OHIO RIVER DISTRICT .- Comprises the State of Kentucky, the City of Parkersburg, West Virginia, the cities along the Ohio River south of said

City, the Counties of Guernsey, Muskingum, Jackson, Licking and Butler in the State of Ohio and the County of Wood in the State of West Virginia.

11. Indiana-Illinois-St. Louis District.—Comprises all the State of Indiana, except the county of Lake; all the State of Illinois, except the Counties of Lake and Du Page and the Chicago Switching District; the City of St. Louis and the County of St. Louis in the State of Missouri: the County of Louis and the County of St. Louis in the State of Missouri; the County of Scott in the State of Iowa; and the Counties of Rock and Ozaukee in the State

12. CHICAGO DISTRICT.—Comprises the Chicago Switching District; the Counties of Lake and Du Page in the State of Illinois; the County of Lake in the State of Indiana; and the Counties of Kenosha, Racine and Milwaukee ju the

State of Wisconsin.

13. SOUTHERN DISTRICT.—Comprises all that part of the United States south of the States of Maryland, West Virginia, Kentucky and Missouri, and the States of Texas and Oklahoma, but does not include the County of Jefferson in the State of Alabama.

14. BIRMINGHAM DISTRICT.—Comprises the County of Jefferson in the State

of Alabama.

15. Kansas City District.—Comprises the County of Jackson in the State of Missouri and the County of Polk in the State of Iowa.

16. DULUTH DISTRICT.—Comprises the County of St. Louis in the State of

Minnesota.

- 17. Colorado District.—Comprises the State of Colorado.

 18. Utah District.—Comprises the State of Utah.

 19. Seattle District.—Comprises the County of King in the State of Washington and the County of Multnomah in the State of Oregon.

 20. San Francisco District.—Comprises the Counties of San Mateo, Alameda, Sacramento and Contra Costa in the State of California.

 21. Los Angeles District.—Comprises the County of Los Angeles in the State of California.

SCHEDULE D

MINIMUM RATES OF PAY FOR COMMON LABOR

Cents per hour			Cents per hour	
1. Eastern District	35 37	12. Chicago District	40 25 27 35	
1. Indiana-Illinois-St. Louis Dis-	37			

SCHEDULE E

CONCERNING PRICES AND TERMS OF PAYMENT

Section 1. Wherever used in the Code the terms hereinafter in this Section 1 defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Section 1 set forth. The deefinition of any such term in the singular shall apply to the use of such term in the

(a) Until Schedule F of the Code shall have been amended as in Article XII of the Code provided, the term "basing point" for any product means one of the piaces listed in such Schedule F as a basing point for such product. Thereafter the term shall mean one of the places listed in such Schedule

F as at the time in effect as a basing point for such product.

(b) The term "base price" for any product means the price for such product f.o.b. a basing point, before any extras in respect of such product shall be added or any discounts for early payment or deductions shall be allowed

(c) The term "place of delivery" as used with respect to any product means (1) the railroad freight station at or nearest to the place at which the purchaser shail intend to use such product or at which such purchaser shall have a place of business and shall store such product for resale, or (2), in the case of a product sold to a jobber for direct shipment by a member of the Code to a purchaser of such product from such jobber, the railroad freight station at or nearest to the place at which such purchaser shall intend to use such product, or (3), in the case of a product destined for delivery at a port in the Canal Zone or in Alaska, a dock at such port, or (4), except as the Board of Directors shall otherwise determine, in the case of carload quantities of plates, shapes and bars intended for fabrication for an identified structure, the raifroad freight station at or nearest to the place at which such structure is to be erected.

(d) The term "identified structure" means a structure which, when the product or products that enter into its construction are assembled or erected, is fixed in its location for use at the point of the assembly or erection of such

product or products, or a ship or a barge.

(e) The term "shipment" as used with respect to any product means the delivery of the possession of such product to a carrier for the transportation thereof to the place of delivery, or, when such product shall be transported by the member of the Code which shall have sold or contracted to sell it, the completion of the loading of such product and the commencement of the trans-

portation thereof to the place of delivery.

(f) Except as hereinafter in this paragraph (f) provided, the term "all-rail published tariff freight charges" as used with respect to the sale by a member of the Code of any quantity of any product means the freight charges applicable to the quantity of such product shipped at one time at the all-rail published tariff freight rates in effect at the time of the shipment thereof, and as used with respect to the sale by a member of the Code of any quantity of any product sold at one time for use in the construction of an identified structure, such term means the freight charges applicable to such quantity of such product at the all-rail published tariff freight rates in effect at the time of such sale. In the case of a sale or contract of sale of a carload or more of various products for shipment in mlxed carload lots, whether the respective base prices for such products be based on the same or different basing points, the term "all-raii published tariff freight charges" means the freight charges applicable to the respective quantitles of such products sold from the basing point or basing points on which the respective base prices of such products are based to the place of delivery thereof at the all-rall published tariff carload freight rates in effect at the time of the shipment of such products.

(g) The term "period of free credit" means the period of time between the date of a shipment of a product to the purchaser of such product and the date from and after which such purchaser shall be required to pay interest on the purchase price of such product or any part thereof which shall not have been paid prior to the expiration of such period.

(h) The term "date of invoice" means the date of the invoice of any

(i) The term "discount for early payment" means the amount of the deduction allowed for the payment of an invoice of products within a specified

number of days after the date of such invoice.

(j) The term "an affiliated group" means one or more corporations connected through stock ownership with a common parent corporation, if (1) at least 75% of the stock of each of such corporations (except such common parent corporation) is owned directly by one or more of the other corporations, and (2) such common parent corporation owns directly at least 75% of the stock of at least one of the other corporations. The term "an affiliated company of a member of the Code" means (1) a corporation which is one of an affiliated group that also includes such member of the Code, or (2), in case the member of the Code is a person, firm or association, a corporation at least 75% of the stock of which is cwned by such member. For the purposes of this paragraph (j) the term "stock" does not include non-voting stock which is

limited and preferred as to dividends.

Section 2. Each member of the Code which shall have become such within ten days after the effective date of the Code shall prior to the expiration of such ten days file, and each member of the Code which shall become such after the expiration of such ten days shall upon becoming a member of the Code file, with the Secretary a list showing the base prices for all its products, and from and after the expiration of such ten days or, in the case of any such list filed at or after the expiration of such ten days, from and after the date on which such list shall be filed, such member shall at all times maintain on file with the Secretary a list showing the base prices for all its products and shall not make any change in such base prices except as provided in this Schedule E. Each such list shall state the date upon which it shall become effective, which date, except as hereinafter in this Section 2 otherwise provided, shall be not less than ten days after the date of filing such list with the Secretary; provided, however, that the first list of base prices filed by any member of the Code as above provided shall take effect on the date of the filing In naming a product in any such list the name of such product shown in Schedule F of the Code shall be used, and none of such lists filed by any member of the Code shall show more than one base price for any product of any description at any basing point for such product, except that in any list of base prices for pipe filed by any member of the Code both a carload price and a less-than-carload price may be shown. None of the base prices shown in any list filed by any member of the Code as herein provided shall be changed except by the filing by such member with the Secretary of a new list of its base prices, which shall become effective on the effective date therein specified, which, except as hereinafter in this Section 2 otherwise provided, shall not be less than ten days after the date on which such new list of base prices shall have been so filed. If at any time there shall be on file with the Secretary lists of base prices in which two or more base prices for any product at any basing point shall be shown, any member of the Code which shall have filed a list of base prices in which a base price for such product at such basing point shall be shown may file a new list of base prices in which a new base price for such product at such basing point may be shown as low as the lowest base price for such product at such basing point shown in a list of base prices filed by any other member of the Code and such new list of base prices shall become effective in so far as such product is concerned on the date specified therein, which date may be (a) the same date as that on which such list of base prices in which such lowest base price shall be shown shall become effective, if such last-mentioned list of base prices shall not have become effective on the date of the filing of such new list of base prices, or (b) the date of the filing of such new list of base prices, if the list of base prices in which such lowest base price shall be shown shall then be effective. In the case of products which are sold on a list and discount basis, for the purposes of this Section 2 the list of base prices shall consist of a price list and one or more basing discount lists, from which the base prices of such products shall be determined.

Section 8. Except as hereinafter otherwise provided in respect of standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor, the base price for any product shown in any list of base prices filed by a member of the Code in accordance with the provisions of the foregoing Section 2 shall be as follows: (a) If such member shall operate a plant for the production of such product which is located at a basing point for such product, f.o.b. such basing point, or (b), if such member shall operate a plant for the production of such product which is not located at a basing point for such product, f.o.b. the basing point for such product nearest in terms of ali-rail freight rates to such plant, or (c), if any Gulf or Pacific Coast port shall be listed as a basing point for such product in Schedule F of the Code as at the time in effect, f.o.b. cars dock such port, or (d), if any Atlantic Coast port shall be listed in such Schedule F as at the time in effect as a basing point for ferro-manganese or spiegeleisen, then for such product f.o.b. cars dock such port, and product for the product of the content of the cont dock such port, or (e), so long as Palmerton, Pa., shall be listed in such Schedule F as at the time in effect as a basing point for spiegeleisen, then for such product f.o.b. such basing point. Except as otherwise provided in this Schedule E, each member of the Code shall file with the Secretary and maintain on file with him a list showing the base price for each of its products for each basing point for such product at which a plant of such member for the manufacture of such product shall be located and for each basing point for such product which shall be nearest in terms of all-rail freight rates to any plant of such member for the manufacture of such product not located at a basing point for such product; and, if any Gulf or Pacific Coast port shall be listed in such Schedule F as a basing point for a product, such member may show in such list its base price for such product at such basing point. All base prices shown in the list so filed shall constitute the published base prices of such member for the products and for the basing points shown in such list. Except as aforesald, none of the members of the Code shall file any list of base prices showing any price for any of its products other than the base price for such product f.o.b. the basing point or basing points for such product as herein-before provided. The published base price of each such member for any product (except standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor) for any basing point for such product other than that or those shown in the list of base prices so filed by such member shall be deemed to be the lowest base price for such product at such other basing point which shall be shown in the list of base prices filed by any

other member of the Code and then in effect.

All base prices for standard Tee rails of more than 60 pounds per yard and for angle bars and rail joints therefor shall be f.o.b. mill of the producer thereof, or, in the case of such rails, angle bars and rail joints carried by water from any Atlantic Coast or Gulf port to any Gulf or Pacific Coast port, c.i.f. the port of destination. Except in the case of contracts of the character described in the exception contained in the second sentence of Section 8 of this Schedule E, none of the members of the Code shall sell or contract to sell any product for shipment in any calendar quarter-year, until such member shall have filed with the Secretary a list of base prices in which the base price for such product at the basing point, or the base prices at the respective basing points, of such member for such product for such quarter-year shall be shown and such list shall have become effective; provided, however, that nothing herein contained shall be so construed as to prevent such member from filing at any time a new list of base prices in which shall be shown a base price for such product at such basing points which shall be lower than the base price for such product at such basing point shown in the list of base prices which was iast filed by such member prior to the date on which such new list of base prices was so filed; and provided, further, that, if such member shall file a new list of base prices showing any such lower base price at any basing point, any member of the Code may change any contract which it shall theretofore lave made for shipment of any quantity of such product in such quarter-year at a price which was based on such basing point, other than a contract of the character described in the exception contained in the second sentence of said Section 8, so as to provide that any part of the quantity of such product covered by such contract which shall not have been shipped prior to the effective dato of such new list of base prices and which shall be det

of such lower base price. Notwithstanding the fact that a member of the Code is not permitted to have on file a list of base prices in which base prices for a period longer than a calendar quarter-year shall be shown, any base price of any product shown therein for any basing point shall be deemed to be in effect in determining the delivered price of such product for such basing point required by any contract to be shipped in any subsequent quarter-year as permitted by the provisions of Section 8 of this Schedule E. Lists of base prices filed with the Secretary pursuant to the foregoing Section 2 and to this Section 3 shall be open to inspection at all reasonable times by anyone.

Section 4. Except as otherwise provided in this Schedule E, all prices quoted and all prices billed by any member of the Code for any product (except standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor, which shall be quoted and billed as hereinafter provided) sold by such member from and after ten days after the effective date of the Code shall be delivered prices, which (disregarding the extras, if any, required by, and the deductions, if any, that may be made pursuant to, the provisions of the Code) shall be not less than the sum of (a) the published base price of such member for such product effective at the time of and for the sale thereof and (b) an amount equal to the all-rail published tariff freight charges from the basing point on which such base price is based to the place of delivery to the purchaser thereof, or, (1) if such place of delivery shall be at such basing point, the published tariff switching charges to such place of delivery from the plant of any member of the Code for the production of such product at such basing point nearest in terms of such switching charges to such place of delivery; or, (2) if such place of delivery shall be at a Gulf or Pacific Coast port that is listed in Schedule F of the Code as a basing point for such product, the published tariff switching charges to such place of delivery from the dock for discharging products nearest in terms of such switching charges to such place of delivery; provided, however, that (a) in any case in which such product shall be delivered by other than all-rail transportation, the member of the Code selling such product may allow to the purchaser a reduction in the delivered price otherwise chargeable under the provisions of this Section 4 at such rate previously approved by the Board of Directors and filed with the Secretary as the Board of Directors shall deem equitable and necessary, in order that competitive opportunity to producers and consumers of products shall be maintained; and (b), subject as hereinafter in this Section 4 provided, if any list of base prices filed with the Secretary by any member of the Code pursuant to the provisions of this Schedule E and at the time in effect shall show a specified rate of deduction from the base price of any product to be allowed by such member on any sale of such product to any jobber for resale, such member may, from and after the date on which such list shall have become effective, allow to any jobber to whom such member shall sell such product for resale a deduction from such base price to such jobber for such product at a rate not greater than the rate so shown in such list; and provided, further, that the Board of Directors by the affirmative vote of three-fourths of the whole Board may permit any member of the Code in special instances or members of the Code generally to sell or contract for the sale of any product produced by such member or members at a base price which shall be less than the then published base price of such member or members for such product at the respective basing points therefor of such members, or at a delivered price which shall be less than the delivered price otherwise chargeable under the provisions of this Section 4, if by such vote such Board shall determine that the making of such sale or contract of sale at such less base price or less delivered price is in the interest of the Industry or of any other branch of industry and will not tend to defeat the policy of Title I of the National Industrial Recovery Act by making possible the using or employing of an unfair practice. The Board of Directors shall prescribe such rules and regulations as It shall

The Board of Directorrs shall prescribe such rules and regulations as it shall deem proper by which the question of whether or not any purchaser or prospective purchaser of any product for resale is a jobber shall be determined, and in granting any permission as aforesaid, the Board of Directors shall prescribe such rules and regulations in respect thereof as in its judgment shall be necessary in order to insure to the members of the Code that action in accordance with any such permission shall not result in an unfair practice; and thereafter such Board may by like vote rescind any permission so granted or modify, cancel or add to any rules and regulations so prescribed. The Secretary shall

send to each member of the Code a copy of all such rules and regulations prescribed by such Board with respect to the determination of the question of whether a purchaser or prospective purchaser for resale is a jobber and he shall give notice in writing of all action so taken by the Board of Directors to each member of the Code which at the time shall be engaged in producing the kind of product in respect of which any such permission was granted, Before any member of the Code shall allow any such deduction to any jobber or sell for resale to any purchaser who shall not be a jobber any product pursuant to any permission so granted to such member, such member shall secure from such jobber or such other purchaser an agreement substantially in a form theretofore approved by the Board of Directors and filed with the Secretary whereby such jobber or other purchaser shall agree with such member (a) that such jobber or other purchaser will not, without the approval of the Board of Directors, sell such product to any third party at a price which at the time of the sale thereof shall be less than the price at which such member might at that time sell such product to such third party, and (b) that, if such jobber or such other purchaser shall violate any such agreement, he shall pay to the Treasurer as an individual and not as treasurer of the Institute, in trust, as and for liquidated damages the sum of \$10 per ton of any product sold by such jobber or such other purchaser in violation thereof. In the case of a product destined for delivery at a place in the Canal Zone or at a port in Alaska, the member of the Code selling such product, in determining its delivered price therefor, shall add to its published base price for such product effective at the time of and for the sale thereof such charges in respect of transportation as shall have been previously approved by the Board of Directors and filed with the Secretary.

Except as aforesaid, all prices quoted and billed by any member of the Code for standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor sold by it from and after ten days after the effective date of the Code (disregarding extras and deductions as aforesaid) shall be not less than the published base price of such member for such rails, angle bars and rail joints effective at the time of and for the sale thereof f.o.b. mill of the producer, or, in the case of such rails, angle bars or rall joints carried by water from any Atlantic Coast or Gulf port to any Gulf or Pacific Coast port, c.i.f. the port of destination. Wherever provisions of the Code or of any resolution adopted thereunder by the Board of Directors require, either specifically or in effect, that in determining the delivered price that may be quoted and billed for any product an amount equal to any published tariff freight charges shall be added, an amount not less than the appropriate tariff freight charges shown in any tariff published pursuant to authority of the Board of Directors shall be added in determining such delivered price; provided, however, that when switching charges for the delivery of a product at a basing point are required to be added in determining such delivered price, the Board of Directors may by resolution fix such an arbitrary switching charges or such arbitrary switching charges for the delivery of such product as such Board shall deem proper with a view to preventing unequal competitive conditions in respect of the sale of such product for delivery at such basing point; and provided, further, that, if and when the Board of Directors shall fix any such arbitrary switching charge or arbitrary switching charges for the delivery of a product at a basing point, thereafter not less than the amount of such charge or

switching charge or arbitrary switching charges for the delivery of a product at a basing point, thereafter not less than the amount of such charge or charges shall be added in determining the delivered price of such product.

In case at the effective date of the Code any valid, firm contract to which a member of the Code shall be a party shall exist for a definite quantity of any product or for all or a substantial part of the requirements of the purchaser thereof (a) at a fixed price, or (b) at a price that can be definitely determined in accordance with the provisions of such contract, or (c) at the market price for such product at the date when a definite quantity thereof shall be specified under such contract and such contract covered a sale of 20% or more of the total quantity of such product produced and sold in the United States in the calendar year 1932, it is recognized that such contract may influence to an important extent the market price for such product during the remainder of its life and that, if the other members of the Code which produce and sell such product shall by the foregoing provisions of this Schedule E be prevented from selling such product during the remainder of the life of such contract at as favorable a price and on as favorable terms and conditions as those provided for in such contract, then unfair competition as between the member of the Code

which shall be a party to such contract and the other members thereof and also as between the other party to such contract and its competitors may result. Accordingly, anything herein to the contrary notwithstanding, during the remainder of the life of such contract any member of the Code may sell such product at a price and on terms and conditions as favorable as (but not more favorable than) the price, terms and conditions provided for in such contract and the Board of Directors may take such action in respect of sales of such product by members of the Code consistent with the terms of such contract as will insure the prevention of such unfair competition. In case any contract in existence at the effective date of the Code shall require that the price quoted and billed for any product that is covered by a patent shall be based on a basing point other than as provided in Section 3 of this Schedule E, then, anything in this Schedule E to the contrary notwithstanding, any member of the Code which shall produce and sell such product or any other product which the Board of Directors shall determine to be competitive in sale and use with such product may file a base price for such product or such other product for such basing point or basing points as will meet the requirements of such contract with respect to the product covered thereby and may quote and bill delivered prices for such product or such other product or such basing point or basing

points.

Section 5. The Board of Directors by the affirmative vote of a majority of the whole Board may establish maximum rates of discount for early payment and maximum periods of free eredit, other than those specified in Schedule G annexed hereto, which may be allowed by any member of the Code with respect to the sale of any product or products to jobbers for resale as permitted by the provisions of Section 4 of this Schedule E. The Secretary shall give notice in writing of any action taken by the Board of Directors in accordance with the provisions of this Section 5 to each member of the Code which at the time shall be engaged in producing the kind of product in the sale of which any such other rates or periods shall have been established by such action. Except as aforesaid and except as elsewhere in this Schedule E of the Code otherwise provided the maximum rates of discount for early payment and the maximum periods of free credit which may be allowed by any member of the Code shall be the rates and periods specified in said Schedule G. Except as aforesaid, all invoices for products sold by any member of the Code after the effective date of the Code shall bear interest from and after the expiration of the period of free credit at a rate which shall be not less that the then current rate established by the Board of Directors and filed with the Secretary. Nothing in the Code contained shall prevent any member of the Code from allowing credit to any purchaser or allowing any purchaser to delay payment in respect of any invoice for a longer period than the maximum of the code in the code num period of free credit specified in such Schedule G or such other maximum period as shall he established in accordance with the provisions of this Section 5; but, if any member of the Code shall allow credit to any purchaser or allow any purchaser to delay payment in respect of any invoice for a period longer than such maximum period of free eredit, then such member charge and collect interest on the amount in respect of which credit shall be so allowed or the payment of which shall have been so delayed at a rate not less than the current rate established and filed as aforesaid. Anything in the Code to the contrary notwithstanding, the Board of Directors shall have power to authorize any member of the Code to compromise or settle on such terms and conditions as the Board of Directors by resolution shall approve any claim for the principal of, or the interest on, any indebtedness to such member on account of any product or products sold by it.

Section 6. Except as in this Schedule E otherwise provided, any extras added to, and any deductions made from, the base price for any product sold by any member of the Code in determining its quoted or billed price for such product shall be uniform for all members of the Code. The rates of such extras and of such deductions shall be those approved from time to time by the Board of Directors as being in accordance with the trade practice customary in the Industry at the effective date of the Code and as meeting the requirements of the Code. Lists showing such rates shall be filed with the Secretary and shall be open to inspection at all reasonable times by anyone. In case any member of the Code shall sell any product to which any such rate of extra or deduction shall apply, except as aforesaid such member shall add an extra

at a rate which shall not be less than the rate of extra applicable to such product theretofore approved by the Board of Directors as aforesaid and at the time in effect and none of the members of the Code shall make any deduction at a rate that shall be more favorable to the purchaser of such product than the rate of deduction applicable to such product theretofore approved by the Board of Directors as aforesaid and at the time in effect; provided, however, that nothing in the Code contained shall be so construed as to prevent any member of the Code from selling or contracting to sell any product for use by the purchaser thereof in the manufacture of articles for shipment in export trade within the meaning of the term "export trade" as it is used in the Export Trade Act under an agreement by such member of the Code with such purchaser that, when such articles shall have been shipped in such export trade, such member of the Code shall make an allowance at a rate approved by the Board of Directors and a statement of the approval of which shall theretofore have been filed with the Secretary, which rate in the opinion of such Board shall be sufficient to enable such member of the Code or such purchaser to meet foreign competition in the sale and delivery of such product or such articles,

as the case may be.

Section 7. The practice of shipping products on consignment may result in unfair competition and it is the intention of the Industry to eliminate such practice as soon as possible after the effective date of the Code. Accordingly, except to the extent necessary to earry out arrangements existing on the effective date of the Code and which shall have been reported to the Board of Directors, from and after such date none of the members of the Code shall deliver products, other than pipe, on consignment except to an affiliated company of such member. All arrangements for the delivery by any member of the Code of products on consignment (other than consignments to an affiliated company of such member and other than consignments of pipe) existing on the effective date of the Code shall be terminated on or before June 30, 1934, and all stock held on consignment on that date shall either be sold to the consignee or possession thereof shall be taken by the consignor. The Board of Directors shall investigate problems presented in the elimination of consigned stocks of pipe and shall recommend to the members of the Code which shall be parties to then existing arrangements with respect to shipments of pipe on consignment (other than consignments from a member of the Code to an affiliated company) such action in respect thereof as such Board shall deem proper and designed to accomplish the termination of all such arrangements (other than as aforesaid) at as early a date as possible.

SECTION 8. For all purposes of this Schedule E, a delivery of any product made pursuant to a contract of sale shall be regarded as a sale thereof made at the time of the making of such contract. Except in the ease of a product required (a) by a purchaser for the construction of an identified structure or new railroad ears or locomotives under a specified definite contract of such purchaser with a third party at a fixed price, or for the construction of such a structure or such cars or locomotives owned or to be owned by such purchaser, in each of which cases the product shall be sold under a contract which shall expressly provide that such product shall be used only for such structure, or (b) by the Federal Government or any state, county or municipal government or any department or division thereof for a definite project, and except as the Board of Directors shall determine to be necessary for the manufacture and delivery of a product or necessary or advisable in order to aid the Federal Government or any state, county or municipal government in earrying through its program of economic recovery, reemployment of labor or relief of distress or otherwise for the advancement of public purposes and the general welfare, none of the members of the Code shall make any contract of sale of any product by the terms of which the shipment of such product is not required to be completed before the end of the calendar quarter-year ending not more than four months after the date of the making of such contract. Every courtact made on or after June 1, 1934, for the sale of any product which by the terms of such contract is required to be or may be delivered after the explication of ten days after the date of such contract shall be in writing. On and after June 1, 1934, none of the members of the Code shall make any contract for the sale of all or any part of the requirements of the other party to such contract for any product, unless the maximum quantity of such product to be delivered under such contract shall be specified the

SECTION 9. Nothing in the Code contained, however, shall be so construed as to prevent the performance by any member of the Code of a valid, firm contract existing and to which it is a party at the effective date of the Code for a definite quantity of any product or for all or a substantial part of the requirements of the purchaser thereof (a) at a fixed price, or (b) at a price that can be definitely determined in accordance with the provisions of such contract, or (c) at the market price for such product at the date when a definite quantity thereof shall be specified under such contract. If any member of the Code shall at the effective date thereof be a party to any contract for the sale of any product by such member which by its terms is to continue after December 31, 1933, and by its terms the price to be paid for such product by the other party to such contract is related to the market price thereof at the date when a definite quantity thereof may be specified under such contract and may be less than such market price, then such member shall within thirty days after the effective date of the Code file a copy of such contract with the Secretary in order that the Board of Directors may consider it and take such action in respect thereof consistent with the rights and obligations of the parties to such contract as such Board shall deem proper.

such contract as such Board shall deem proper.

Section 10. None of the provisions of the Code shall apply to the sale by any member of the Code to an affiliated company of such member of any product (a) for resale as the same product or (b) for its own use (but not for use in the production in whole or in part of any article sold by it which is not a Code product, that is, a product as that term is defined in Section 3 of Article I of the Code) or (c) for use by it in the production of one or more Code products to be sold by it; provided, however, that a sale by an affiliated company of any member of the Code (1) of any Code product acquired by such affiliated company from such member or from one or more affiliated company from one or more Code products acquired by such affiliated company from one or more Code products acquired by such affiliated company from one or more Code products acquired by such affiliated company from one or more Code products acquired by it from such member or from one or more affiliated companies of such member shall be

deemed to be a sale made by such member of the Code.

Section 11. Nothing in the Code contained shall be deemed to apply to or affect the sale of any product for direct shipment in export trade by any member of the Code within the meaning of the term "export trade" as it is used in the Export Trade Act or, unless and to the extent that the Board of Directors shall otherwise determine, the sale of any product by any such member for direct shipment to the Philippines, Hawaii or Porto Rico or other insular possessions of the United States of America.

Section 12. If and to the extent requested by the Administrator, all decisions of, permissions and approvals given by and rules and regulations made by, the Board of Directors pursuant to any provision of this Schedule E shall

be reported to him.

SCHEDULE F

LIST OF BASING POINTS

The places hereinafter in this Schedule F listed are the basing points for the respective products named.

AXLES-ROLLED OR FORGED

Pittsburgh, Pa. Chicago, Ill.

Birmingham, Ala.

BALE TIES-SINGLE LOOP

Pittsburgh, Pa. Cleveland, O. Chicago, Ill. Birmingham, Ala. Duluth, Minn. Gulf Ports 1 Pacific Coast Ports

BARS-ALLOY STEEL, HOT ROLLED

Pittsburgh, Pa. Buffalo, N.Y. Chicago, Ill.

Canton, O. Massillon, O. Bethlehem, Pa.

BARS-COLD FINISHED, CARBON AND ALLOY

Pittsburgh, Pa. Buffalo, N.Y. Cleveland, O.

Chicago, Ill. Gary, Ind.

BARS-CONCRETE REINFORCING, STRAIGHT LENGTHS

Pittsburgh, Pa. Buffalo, N.Y. Cleveland, O. Chicago, Ill. Gary, Ind.

Birmingham, Ala. Youngstown, O. Gulf Ports Pacific Coast Ports

BARS, INGOTS, BLOOMS AND BILLETS-IRON

Pittsburgh, Pa. Chicago, Ill. Troy, N.Y. Jersey City, N.J. Dover, N.J. Rockaway, N.J. Philadelphia, Pa. Columbia, Pa. Lebanon, Pa.

Reading, Pa. Danville, Pa. Berwick, Pa. Burnham, Pa. Creighton, Pa. Richmond, Va. Cuyahoga Falls, O. Louisville, Ky. Terre Haute, Ind.

¹ Except as otherwise shown in this Schedule F, the Gulf Ports are Mobile, Ala.; New Orleans and Lake Charles, La.; and Orange, Port Arthur, Beaumont, Baytown, Galveston, Houston and Corpus Christi, Tex

² Except as otherwise shown in this Schedule F, the Pacific Coast Ports are San Diego, San Pedro (includes Wilmington and Los Angeles), Long Beach, San Francisco (includes Oakland), Stockton and Sacramento, Cal.; Portland, Ore.; and Seattle (includes Tacoma), Everett and Bellingham, Wash.

BARS-MERCHANT STEEL

Pittsburgh, Pa. Buffalo, N.Y. Cleveland, O. Chicago, Ill. Gary, Ind.

Birmingham, Ala. Duluth, Minn. Moline, Ill. (Rail Steel only) Gulf Ports Pacific Coast Ports

BARS-TOOL STEEL

Pittsburgh, Pa. Syracuse, N.Y.

Bethlehem, Pa.

FERRO-MANGANESE AND SPIEGELEISEN

New York, N.Y.
Philadelphia, Pa.
Baltimore, Md.
Palmerton, Pa. (Spiegeleisen only)

Gulf Ports: Mobile, Ala. (Ferro-manganese only)

Chicago, Ill. (Spiegeleisen only)

New Orleans, La.

GIRDER RAILS AND SPLICE BARS THEREFOR

Lorain, O.

Steelton, Pa.

INGOTS, BLOOMS, BILLETS AND SLABS-ALLOY

Pittsburgh, Pa. Buffalo, N.Y. Chicago, Ill.

Canton, O. Massillon, O. Bethlehem, Pa.

INGOTS, BLOOMS, BILLETS AND SLABS-CARBON

Pittsburgh, Pa. Buffalo, N.Y. Cleveland, O. Chicago, Ill.

Gary, Ind. Birmingham, Ala. Duluth, Minn. (Billets only) Youngstown, O.

LIGHT RAILS-60 LBS, OR LESS PER YARD-AND SPLICE BARS AND ANGLE BARS THEREFOR

Pittsburgh, Pa. Chicago, Ill.

Birmingham, Ala.

MECHANICAL TUBING

Pittsburgh, Pa. Canton, O. Shelby, O.

Detroit, Mich. Milwaukee, Wis.

PIG IRON-FOUNDRY, HIGH SILICON SILVERY, MALLEABLE, OPEN HEARTH BASIC, BESSEMER AND HIGH SILICON BESSEMER

Buffalo, N.Y. Cleveland, O. Chicago, Ill.
Birmingham, Ala.
Youngstown, O.
Neville Is., Pa. Sharpsville, Pa. Erie, Pa. Bethlehem, Pa. Steelton, Pa. Swedeland, Pa.

Birdsboro, Pa.
Hamilton, O.
Jackson, O.
Toledo, O.
Granite City, Ill.
Detroit, Mich.
Duluth, Minn. (except Open Hearth
Basic) Basic)

Provo, Utah Everett, Mass. Sparrows Point, Md.

PIG IRON-LOW PHOSPHORUS

Birdsboro, Pa. Steelton, Pa. Standish, N.Y. Johnson City, Tenn.

PIPE-STANDARD, LINE PIPE AND OIL COUNTRY TUBULAR PRODUCTS

Pittsburgh, Pa. Gary, Ind.

Lorain, O.

PLATES

Pittsburgh, Pa. Chicago, Ill. Gary, Ind. Birmingham, Ala. Coatesville, Pa. Sparrows Point, Md. Gulf Ports Pacific Coast Ports

POSTS-FENCE AND SIGN

Pittsburgh, Pa. Chicago, Ill. Cleveland, O. Duluth, Minn. Birmingham, Ala. Gulf Ports Pacific Coast Ports

RAILROAD TIE PLATES

Pittsburgh, Pa. Buffalo, N.Y. Chicago, Ill. Birmingham, Ala. St. Louis, Mo. Kansas City, Mo. Minnequa, Colo. Weirton, W.Va. Portsmouth, O. Steelton, Pa. Pacific Coast Ports

RAILROAD TRACK SPIKES

Pittsburgh, Pa.
Buffalo, N.Y.
Cleveland, O.
Chleago, Ill.
Birmingham, Ala.
Yougstown, O.
Portsmouth, O.
Weirton, W.Va.

St. Louis, Mo.
Kansas City, Mo.
Minnequa, Colo.
Lebanon, Pa.
Columbia, Pa.
Richmond, Va.
Jersey City, N.J.
Pacific Coast Ports

SHEET BARS

Pittsburgh, Pa. Buffalo, N.Y. Cleveland, O. Chicago, Ill. Youngstown, O. Canton, O. Sparrows Point, Md.

SHEETS

Pittsburgh, Pa. Gary, Ind.

Birmingham, Ala. Pacific Coast Ports

SKELP

Pittsburgh, Pa. Buffalo, N.Y. Chicago, Ill. Youngstown, O. Coatesville, Pa. Sparrows Point, Md.

STEEL SHEET PILING

Pittsburgh, Pa. Buffalo, N.Y. Chicago, Ill.

Gulf Ports Pacific Coast Ports

STRIP STEEL-COLD-ROLLED

Pittsburgh, Pa. Cleveland, O.

Worcester, Mass.

STRIP STEEL-HOT-ROLLED

Pittsburgh, Pa. Chicago, Ill.

Birmingham, Ala.

STRUCTURAL SHAPES

Pittsburgh, Pa. Buffalo, N.Y. Chicago, Ill. Bethlehem, Pa. Gulf Ports Pacific Coast Ports

Chicago, Ill.
Birmingham, Ala. (standard shapes only)

TIN PLATE, TIN MILL BLACK PLATE AND TERNE PLATE

Pittsburgh, Pa. Gary, Ind.

Pacific Coast Ports

TUBES-BOILER

Pittsburgh, Pa.

TUBE ROUNDS

Pittsburgh, Pa. Buffalo, N.Y. Cleveland, O. Chicago, Ill. Birmingham, Ala.

WHEELS-CAR, ROLLED STEEL

Pittsburgh, Pa.

Chicago, Ill.

WIRE-DRAWN, EXCEPT AS HEREINAFTER SPECIFIED

Pittsburgh, Pa. Cleveland, O. Chicago, Ill. Birmingham, Ala. Anderson, Ind. (Merchant Wire only) Duluth, Minn. Worcester, Mass. Glassport, Pa. (Hot Copper-covered Steel only)

Gulf Ports (Merchant Wire only):
Mobile, Ala.
New Orleans, La.
Lake Charles, La.
Galveston, Tex.
Houston, Tex.
Corpus Christi, Tex.
Pacific Coast Ports

WIRE HOOPS-TWISTED OR WELDED

Pittsburgh, Pa.

Chicago, Ill.

WIRE NAILS AND STAPLES, TWISTED BARBLESS WIRE, BARBED WIRE, TWISTED WIRE FENCE STAYS AND WIRE FENCING (EXCEPT CHAIN-LINK FENCING)

Pittsburgh, Pa. Cleveland, O. Chicago, Ill. Birmingham, Ala. Anderson, Ind. Duluth, Minn. Gulf Ports Pacific Coast Ports

WIRE RODS

Pittsburgh, Pa. Cleveland, O. Chicago, Ill. Birmingham, Ala. Youngstown, O. Worcester, Mass.

Pittsburgh, Pa. Cleveland, O. Chicago, Ill.

Pittsburgh, Pa. Cleveland, O. Waukegan, Ill. Muncie, Ind. Anderson, Ind.
Gulf Port:
Galveston, Tex.
Pacific Coast Port:
San Francisco, Cal.

WIRE-SPRINGS

Worcester, Mass. Pacific Coast Ports

WIRE-TELEPHONE

Trenton, N.J. Worcester, Mass. Sparrows Point, Md.

SCHEDULE G

MAXIMUM RATES OF DISCOUNT FOR EARLY PAYMENT AND MAXIMUM PERIODS OF FREE CREDIT

MAXIMUM RATES OF DISCOUNT FOR EARLY PAYMENT

SECTION. 1. Except as in this Schedule G otherwise provided, in the case of products shipped by water from the plant of a member of the Code from or through any Atlantic Coast or Gulf port to any Pacific Coast port, or through a Pacific Coast port to a place of delivery in the State of California or the State of Oregon or the State of Washington, or to a place of delivery in the Canal Zone or to an Alaskan port, the maximum rates of discount for early payment shall be $\frac{1}{2}$ of 1% of the invoiced value of such products, if the invoice of such products shall be paid within 30 days from the date of such invoice; in all other cases, except as hereinafter provided, ½ of 1% of such invoiced value, if the invoice of such products shall be paid within 10 days from the date of such invoice; provided, however, in the latter cases that any member of the Code may allow such discount of ½ of 1% for payment within 10 days on the basis of settlements twice in each month, as follows:

(a) On invoices for products dated from the 1st to the 15th, inclusive, of any month, such discount may be allowed on payment of such invoices

on or before the 25th of such month;

(b) On invoices for products dated from the 16th to the end of any month, such discount may be allowed on payment of such invoices on or

before the 10th of the next following month.

In the case of products shipped by water as specified in this Section 1 similar to products produced at Pacific Coast plants and sold for delivery at any place in the States of California, Oregon and Washington, the maximum rate of discount for easly payment shall be ½ of 1% of the invoiced value of such products, if the invoice thereof shall be paid within 40 days from the date of such invoice.

SECTION 2. In the case of Pipe, Boiler Tubes and Mechanical Tubing (hereinafter in this Schedule G referred to as Pipe) sold to purchasers other than jobbers, the maximum rate of discount for early payment shall be 2% of the invoiced value of such Pipe, if the invoice thereof shall be paid within 10 days from the date of such invoice; provided, however, that any member of the Code may allow such discount of 2% for payment within 10 days on the beginning and the code may allow such discount of 2% for payment within 10 days on the basis of settlement twice in each month as hereinbefore provided. In the case of Pipe sold to jobbers, the maximum rate of discount for early payment shall be 2% of the invoiced value of such Pipe, if the invoice thereof shall be paid on or before the 15th day of the month following the date thereof; provided, however, that during such period as the consignment of stocks of Pipe shall be continued under the Code, in the case of Pipe sold to jobbers who have been accustomed to purchase such Pipe outright under arrangements by which payment of any invoice of such Pipe is made by a non-interest bearing trade acceptance due in not more than 120 days from the date of the shipment of such Pipe, a discount of 2% of the invoiced value of such Pipe may be allowed on the payment of such trade acceptance.

Section 3. Except as in this Section 3 otherwise provided, in the case of Merchant Wire products and Fence and Sign Posts, the maximum rate of discount for early payments shall be 2% of the invoiced value thereof, if the invoice of such products shall be paid within 10 days from the date of the flivoice of such products shall be paid within 10 days from the date of such invoice; provided, however, that any member of the Code may allow such discount of 2% for payment within 10 days on the basis of settlements twice in each month as provided in Section 1 of this Schedule G; and provided, further, that, in the case of such products shipped by water as specified in Section 1 of this Schedule G, any member of the Code may allow such discount of 2%, if the invoice of such products shall be paid within 30 days from the

date of such invoice, or, in the case of any such products so shipped similar to products produced at Pacific Coast plants and sold for delivery at any place in the States of California, Oregon and Washington, if the invoice thereof shall be paid within 40 days from the date of such invoice. In the ease of Woven Wire Fencing in lots of 500 rods or more and of Fence and Sign Posts in lots of 500 posts or more which shall be sold to purchasers for resale, the maximum rates of discount for early payment shall be as follows:

SPRING TERMS

For shipments on and after December 1st and on or before the following April 1st:

4% discount for cash on or before the following January 10th;

31/2% discount for cash on or before the following February 10th;

3% discount for eash on or before the following March 10th;

2½% discount for cash on or before the following April 10th; and 2% discount for cash on or before the following May 10th. For shipments after April 1st and on or before May 31st:

2% discount, if the invoice shall be paid within 10 days from the date of such invoice.

AUTUMN TERMS

For shipments on and after June 1st and on or before the following October

4% discount for cash on or before the following July 10th;

3½% discount for eash on or before the following August 10th; 3% discount for eash on or before the following September 10th;

21/2 % discount for cash on or before the following October 10th; and

2% discount for cash on or before the following November 10th.

For shipments after October 1st and on or before November 30th: 2% discount, if the invoice shall be paid within 10 days from the date of

such invoice.

Section 4. Any discount allowed in accordance with the foregoing provisions of this Schedule G in respect of any product shall apply only to the invoiced value of such product after excluding any and all amounts added on account of freight or other transportation charges to the base price for such product in determining the delivered price thereof.

MAXIMUM PERIODS OF FREE CREDIT

Section 5. Except as hereinafter in this Schedule G otherwise provided, in the case of products shipped by water from the plant of any member of the Code from or through any Atlantic Coast or Gulf port to any Pacific Coast port, or through a Pacific Coast port to a place of delivery in the State of California or the State of Oregon or the State of Washington, or to a place of delivery in the Canal Zone or to an Alaskan port, the maximum period of free credit shall be 50 days from the date of the invoice of such products; in all other cases, except as hereinafter provided, 30 days from the date of such invoice; provided, however, in the latter cases, that any member of the Code which shall make and invoice a series of shipments of products to any purchaser during any calendar month may allow payment without interest of the invoices of such products on or before the 20th of the next following mouth. In the ease of products shipped by water as specified in this Section 5 similar to products produced at Pacific Coast plants and sold for delivery at any place in the States of California, Oregon and Washington, the maximum period of free credit shall be 60 days from the date of the invoice of such products.

Section 6. In the case of Pipe sold to jobbers, the maximum period of free credit shall be 60 days from the date of the invoice of such Pipe; provided, however, that in the case of Pipe sold to a jobber who has been accustomed to purchase such Pipe outright under arrangements with any member of the Code by which a line of credit or ledger debit balance is allowed by such member to such jobber in specified amounts, without interest, if the invoiced value of the Pipe purchased in excess of the amount of the credit or ledger debit balance allowed in each case shall be paid on regular terms for such Pipe, theu such member of the Code may continue such arrangements during such period as the consignment of stocks of Pipe shall be continued under the Code.

Section 7. Except as in this Section 7 otherwise provided, in the case of Merchant Wire products and Fence and Sign Posts, the maximum period of free credit shall be 60 days from the date of the invoice thereof. In the case of Woven Wire Fencing in lots of 500 rods or more and of Fence and Sign Posts in lots of 500 posts or more which shall be sold to purchasers for resale, on shipments made on and after Decémber 1st and on or before the following April 1st the maximum period of free credit shall end on the following May 31st; on shipments made after April 1st and on or before the following May 31st the maximum period of free credit shall end 60 days after the date of the invoice of such products; on shipments made on and after June 1st and on or before the following October 1st the maximum period of free credit shall end on the following November 30th; and on shipments made after October 1st and on or before the following November 30th the maximum period of free credit shall end 60 days after the date of the invoice of such products.

SECTION 8. For all purposes of this Schedule G a member of the Code may treat the date of the mailing of any check or other order for the payment of money sent by mail in payment of any invoice of products sold by such member

as the date of such payment.

SECTION 9. Nothing in this Schedule G contained, however, shall be deemed to apply to any sale or contract for the sale of any product to the Government of the United States of America or to any agency thereof in any case in which such Government or agency shall pursuant to law impose terms of payment other than those prescribed in this Schedule G; provided, however, that in any such case none of the members of the Code shall allow to such Government or any agency thereof terms of payment more favorable than those which shall be prescribed by such Government or agency pursuant to law.

SCHEDULE H

LIST OF UNFAIR PRACTICES

For all purposes of the Code the following described acts shall constitute

unfair practices:

A. Making or promising to any purchaser or prospective purchaser of any product, or to any officer, employee, agent or representative of any such pur-chaser or prospective purchaser, any bribe, gratuity, gift or other payment or remuneration, directly or indirectly.

B. Procuring, otherwise than with the consent of any member of the Code, any information concerning the business of such member which is properly regarded by it as a trade secret or confidential within its organization, other than information relating to a violation of any provision of the Code.

Imitating or simulating any design, style, mark or brand used by any

other member of the Code.

D. Using or substituting any material superior in quality to that specified by the purchaser of any product or using or substituting any material or any method of manufacture not in accord with any applicable law, rule or regula-

- tion of any governmental authority.

 E. Cancelling in whole or in part, or permitting the cancellation in whole or in part of, any contract of sale of any product, except for a fair consideration, or paying or allowing to any purchaser in connection with the sale of any product any rebate, commission, credit, discount, adjustment or similar concession other than as is permitted by the Code and specified in the contract
- F. Disseminating, publishing or circulating any false or misleading information relative to any product or price for any product of any member of the Code, or the credit standing or ability of any member thereof to perform any work or manufacture or produce any product, or to the conditions of employment among the employees of any member thereof.

G. Inducing or attempting to induce by any means any party to a contract

with a member of the Code to violate such contract.

H. Aiding or abetting any person, firm, association or corporation in any unfair practice.

I. Making or giving to any purchaser of any product any guaranty or protection in any form against decline in the market price of such product.
 J. Stating in the invoice of any product as the date thereof a date later

than the date of the shipment of such product, or including in any invoice any product shipped on a date earlier than the date of such invoice.

K. Making any sale or contract of sale of any product under any description which does not fully describe such product in terms customarily used in the

Industry.

L. Rendering to any purchaser of any product in or in connection with the sale of such product any service, unless fair compensation for such service

shali be paid by such purchaser.

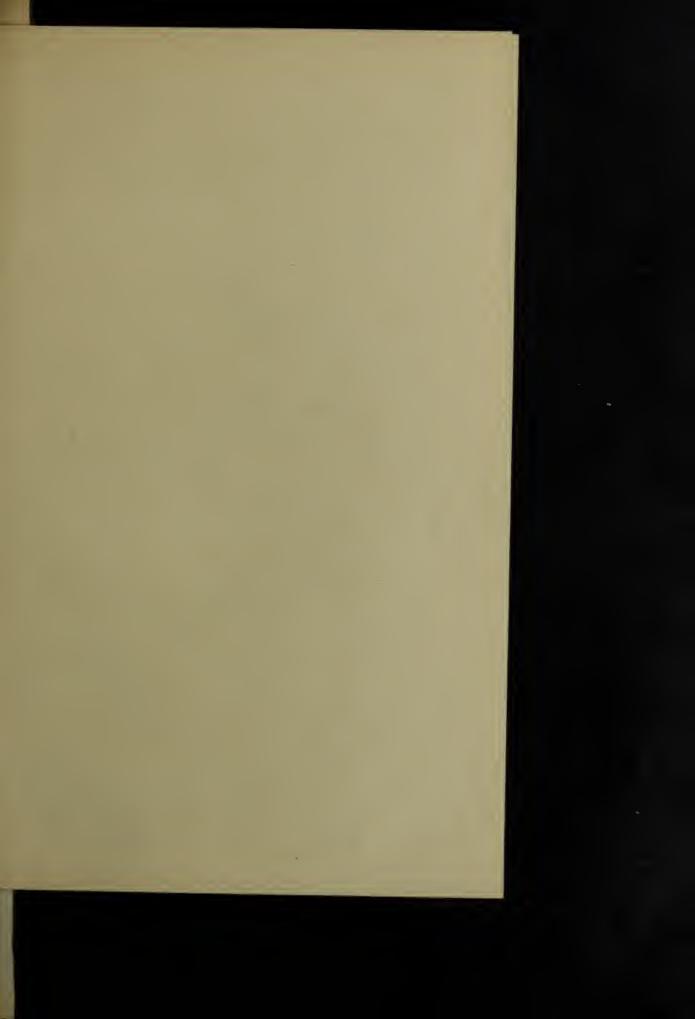
M. Agreeing or promising, as a condition of, or in consideration for, receiving an order for any product or the making of the purchase of any product or receiving other advantage, to file a new list of base prices in which a new base price for such product or new base prices for any other products shall be shown.

N. Selling as scrap any product for any use other than for remelting purposes or which may reasonably be considered as having a value other than for

remelting purposes.

O. Using eoercion or coercive means to induce a member of the Code to withdraw or change a base price for any product at any basing point.

P. Any violation of any other provision of the Code, whether or not therein expressed to be such, or using or employing any practice not hereinabove in this Schedule H described which the Board of Directors by the affirmative vote of three-fourths of the whole Board shall have declared to be a practice that would tend to defeat the policy of Title I of the National Industrial Recovery Act and, therefore, an unfair practice, and of which determination by such Board the Secretary shall have given notice to the members of the Code and to the President.









NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

AUTOMOBILE MANUFACTURING INDUSTRY

AS APPROVED ON AUGUST 26, 1933

BY

PRESIDENT ROOSEVELT



- 1. Executive Order
- 2. Letter of Transmittal
- 3. Code

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934

August 25, 1933.

THE PRESIDENT, The White House.

My Dear Mr. President: I have the honor to submit and recommend for your approval, the Code of Fair Competition for the Automobile Manufacturing Industry. The code has been approved by the Industrial Advisory Board, the Labor Advisory Board, and the Consumers' Advisory Board.

An analysis of the provisions of the code has been made by the Administration and a complete report is being transmitted to you. I find that the code complies with the requirements of clauses 1 and 2 subsection (a) of section 3 of the National Industrial Recovery Act. I am, my dear Mr. President,

Very sincerely yours,

HUGH S. JOHNSON, Administrator.

(252)

CODE OF FAIR COMPETITION

FOR THE

AUTOMOBILE MANUFACTURING INDUSTRY

The following provisions are established as a code of fair competition for the Automobile Manufacturing Industry:

I—Definitions

The term "motor vehicles" as used herein means automobiles, including passenger cars, trucks, truck tractors, busses, taxicabs, hearses, ambulances, and other commercial vehicles, for use on the highway, excluding motorcycles, fire apparatus, and tractors other than truck tractors.

The term "Industry" as used herein includes the manufacturing and assembling within the United States of motor vehicles and bodies therefor, and of component and repair parts and accessories by manu-

facturers or assemblers of motor vehicles.

The term "employees" as used herein means all persons employed

in the conduct of such operations.

The term "employers" as used herein means all individuals, partnerships, associations, trusts, and corporations in the Industry by whom such employees are employed.

The term "Chamber" as used herein means National Automobile Chamber of Commerce, a trade association having its office at No. 366 Madison Avenue, New York City.

The term "effective date" as used herein means the tenth day after this code shall have been approved by the President of the United States.

The term "expiration date" as used herein means December 31, 1933, or the earliest date prior thereto on which the President shall by proclamation or the Congress shall by Joint Resolution declare that the emergency recognized by Section 1 of the National Industrial Recovery Act has ended.

The term "city" as used herein includes the immediate trade area of such city (which in the case of Detroit shall be deemed to include

Pontiac and Flint).

II-WAGES

On and after the effective date, and to and until the expiration date:

The minimum wages of factory employees covered hereby shall be at the following hourly rates regardless of whether the employee is compensated on the basis of time rate or piece rate or otherwise:

	Cents
in cities having 500.000 population or over	43
In cities having 250,000 and less than 500,000 population	411/2
In cities or towns having less than 250,000 population	40

Provided, however, that apprentices and learners and females not doing the same work as adult males shall be paid not less than 871/2 percent of said minimums, but the number of such apprentices and learners and females not doing the same work as adult males employed by any employer shall not exceed 5 percent of the total number of factory employees of such employer including subsidiary and affiliated companies.

Equitable adjustment in all pay schedules of factory employees above the minimums shall be made on or before September 15, 1933, by any employers who have not heretofore made such adjustments, and the first monthly reports of wages required to be filed under this code shall contain all wage increases made since May 1, 1933.

The minimum wages of office and salaried employees covered hereby shall not be less than the following weekly rates:

__ in cities having 500,000 population or over, at the rate of \$15 per week. __ in cities having 250,000 and less than 500,000 population, at the rate of \$14.50 per week.

in cities or towns having less than 250,000 population, at the rate of \$14 per week.

III—Hours

There are substantial fluctuations in the rate of factory production throughout each year, due mainly to the concentration of a large part of the annual demand for cars within a few months, and also to the slowing down of employment in connection with changes in models and other causes beyond the industry's control.

To lessen the effect on employment of these conditions, it has been the policy of the industry to adjust working hours, in order to retain the greatest number of employees and so far as practicable adjust the manufacturing schedules of component parts to allow a more uniform schedule of hours. The industry will continue this policy.

The progressive falling off of retail sales during the years of depression, resulting in the necessity of repeated adjustments downward in production schedules, had its important influence in causing an abnormal fluctuation in employment schedules.

Before the presentation of this code the industry had gone far in spreading available work to relieve unemployment, and under this code it proposes to spread the work as far as practicable in its judgment, consistent with the policy of giving each employee a reasonable

amount of work in each year.

For this purpose it is made a provision of this code that employers shall so operate their plants that the average employment of all factory employees (with exceptions stated below) shall not exceed thirty-five hours per week for the period from the effective date to the expiration date, and the hours of each individual employee shall so far as practicable conform with this average and shall in no case exceed the same by more than three percent.

In order to give to employees such average of thirty-five hours per week, it will be necessary at times to operate for substantially longer hours, but no employee shall be employed for more than six days or 48 hours in any one week, and all such peaks shall be absorbed

in such average.

In order that production and employment for the main body of employees may be maintained with as few interruptions as possible, it is necessary, and it is a part of this code, that the supervisory staff and employees engaged in the preparation, care, and maintenance of plant machinery and facilities of and for production, shall be exempt from the weekly limitations above provided, but the hours of employment of any such exempted employee engaged in the preparation, care, and maintenance of factories and machinery of and for production shall not exceed 42 hours per week averaged on an annual basis.

Office and other salaried employees, covered hereby, receiving less than \$35 per week shall not work more than 48 hours in any one week and not more than an average of 40 hours per week for the period from the effective date to the expiration date. Employees receiving more than \$35 per week and executives and managerial and supervisory staffs are not subject to any hourly limitations.

The industry recognizes the serious problem of major fluctuations in production due to concentrated seasonal customer demand and changes in the rate of production caused by changes in models, which changes are necessary. The Chamber pledges itself to make a further study of this problem in an effort to develop any further practical measures which can be taken to provide more stable and continuous employment and to reduce to a minimum the portion of employees temporarily employed and to submit a report thereon to the Administrator by December 1, 1933.

IV-CHILD LABOR

Employers in the industry shall not employ any person under the age of 16 years. The Chamber states that child labor has at no time ever been a factor in the Automobile Industry.

V-Reports and Statistics

Each employer engaged in the industry will furnish to the Chamber as hereinbelow provided, approximately every four weeks, duly certified reports in such form as may hereafter be provided showing actual hours worked by the various occupational groups of employees and wages paid.

VI-ADMINISTRATION

For the purpose of supplying the President and the Administrator with requisite data as to the observance and effectiveness of this code and the administration thereof, the Chamber is hereby designated—

(a) To collect from the members of the industry all data and statistics called for by this code, or required by the President, or reasonably pertinent to the effectuation of title I of the National Industrial Recovery Act, and compile the same, and disseminate among the members of the industry summaries thereof, all in such form and manner as the Chamber shall reasonably prescribe subject to approval by the Administrator.

(b) To represent the industry in conference with the Administrator with respect to the application of this code and of said act and any regulations issued thereunder; provided, however, that as regards all matters mentioned in this paragraph (b), the Chamber

shall have no power to bind the industry or any subdivision thereof. The President or the Administrator may designate a representative to participate in such conferences, who shall have access to all data and statistics collected by the Chamber as above provided. The Chamber or its authorized committee or agent shall hold itself in readiness to assist and keep the Administrator fully advised, and to meet with the Administrator's representative from time to time as requested to consider and study any suggestions or proposals presented upon behalf of the Administrator or any member of the industry regarding the operation, observance, or administration of this code.

(c) The duties of the Chamber above referred to shall be exercised by the Chamber by its Board of Directors, which may delegate any of said duties to such agents and committees as it may appoint whose

personnel, duties, and powers may be changed.

VII

Employers in this industry shall comply with the following requirements of section 7 (a) of title I of the National Industrial

Recovery Act.

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

Without in any way attempting to qualify or modify, by interpretation, the foregoing requirements of the National Industrial Recovery Act, employers in this industry may exercise their right to select, retain, or advance employees on the basis of individual merit, without regard to their membership or nonmembership in any

organization.

VIII

As required by section 10 (b) of title I of the National Industrial Recovery Act, the following provision is contained in this code: The President may from time to time cancel or modify any order. approval, license, rule, or regulation issued under said Title.

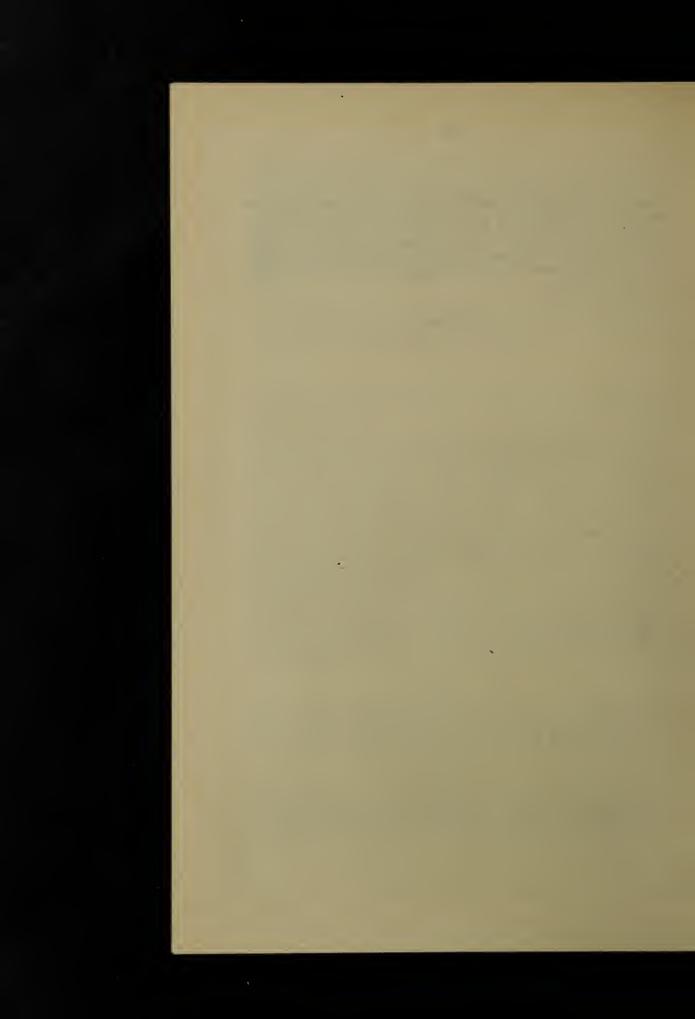
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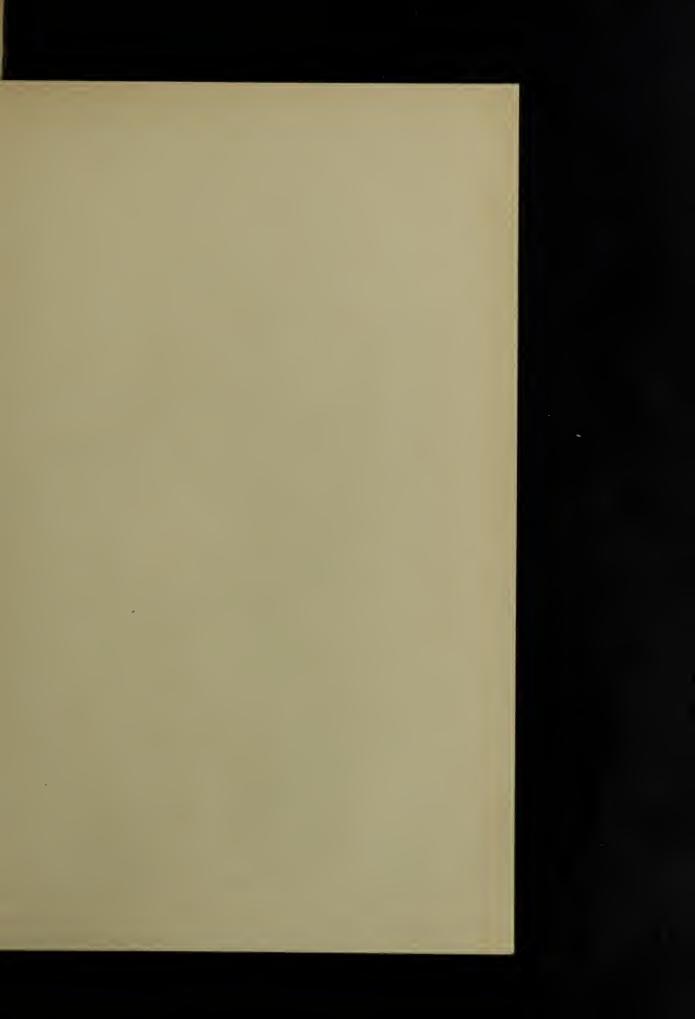
By presenting this code, the Chamber and others assenting hereto do not thereby consent to any modification thereof and they reserve the right to object individually or jointly to any such modifications.

Such provisions of this code as are not required to be included therein by the National Industrial Recovery Act may, upon the application of the industry or a subdivision thereof and with the approval of the President, be modified or eliminated. It is contemplated that from time to time supplementary provisions to this code or additional codes may be submitted in behalf of the industry or various subdivisions thereof for the approval of the President.

Approved Code No. 17. Registry No. 1403-1-04.

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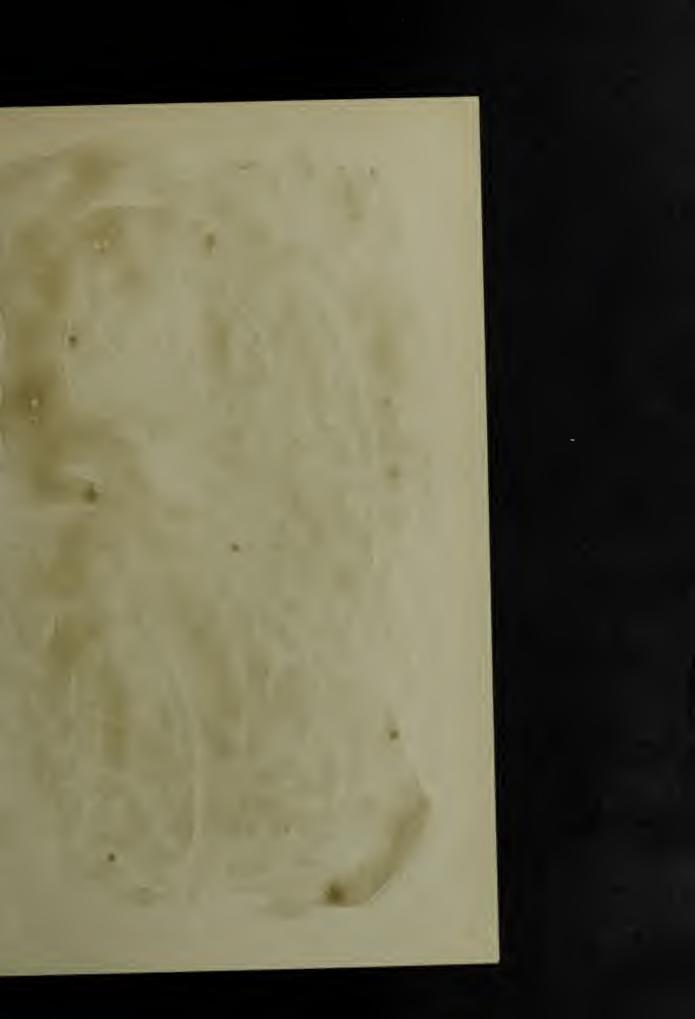


















National Labor Board cases and decisions

In the Matter of Edward G. Budd Manufacturing Company and United Automobile Workers Federal Labor Union #18763

No. 146. Hearing December 7, 1933.—Decided December 14, 1933

A strike occurred in the plant of the Budd Manufacturing Company on November 14, 1933. After unceasing but fruitless efforts to mediate this dispute the Philadelphia Regional Labor Board rendered a decision on November 23rd, recommending that the strike be called off immediately, that the striking employees be reinstated "as fast as work is available without discrimination", and that an election under its supervision be held within ninety days to designate representatives for the purpose of collective bargaining. The Budd Company declined to accept these recommendations. The employees accepted the decision urging, however, an early election. The matter was thereupon referred to the National Labor Board and a hearing was held on December 7th. The company did not appear at this hearing, but submitted a written statement of its position.

The National Labor Board was created by direct appointment of the President of the United States, to carry out the purposes of the National Industrial Recovery Act, by the adjustment of all labor disputes impeding the forces of recovery. One of the declared purposes of this statute is to "induce and maintain united action of labor and management under adequate governmental sanction and supervision." There can be no united action where either labor or management refuses, openly and frankly, to discuss its differences with the other, or where the good offices of a disjutant to appear before the National Labor Board can only prolong controversy, increase economic distress, and further industrial unrest. Such a refusal necessarily tends to defeat the purposes of the statute and imperils the earnest efforts of a united people to rehabilitate their economic resources. The unrealistic attitude of the Budd Company in denying the existence of the dispute and therefore the necessity for action by the Board, can only obstruct rather than facilitate the solution of the difficulties that resulted in the strike.

The facts of this controversy, as presented by the representatives of the employees at the hearing before this Board, appear to be as follows:

On September 1, 1933, the Budd Manufacturing Company posted a notice in its factory to the effect that "a number of our organizations have expressed a wish to have a shop organization to use (as) a means of indicating their problems to the Company" and announcing that such an organization would be formed. On September 5th, the day the Antomobile Code became effective, a plan of the proposed organization was distributed by the company to the



workers. This plan was devised by the company and provided that only employees who had been continuously employed for a period of one year should be eligible for nomination as employee representatives. An election by secret ballot was conducted on September 7th. Ninety-two percent of the employees voted at this election. The men alleged that there was much confusion as to the import of this election and that they were afraid not to participate in it. The company prepared a constitution and by-laws, which were subsequently accepted by the representatives so elected. According to this constitution, the right to vote is limited to those employees who have been on the company's payroll for a period of ninety days. It does not appear, however, that the ninety-day provision was in effect

at the time of the election on September 7th.

Some time before the election attempts were made to organize a union in the plant. On September 19th a charter was granted to the employees in the name of the United Automobile Workers Federal Union No. 18763, affiliated with the American Federation of Labor. This union's activity continued after the election. On November 13th three representatives of the federal union called on the works manager of the Budd Company and demanded that the company recognize the union. The manager refused, stating "that Budd could not recognize the American Federation of Labor, inasmuch as Budd had employee representation that was operating satisfactorily." That same evening a strike vote was taken at a meeting of the employees of the automobile production department and the strike was called for November 14th, without awaiting action from the Philadelphia Regional Labor Board.

It is alleged by the employees that between 1,200 and 1,500 men participated in this strike and that an equal number, temporarily laid off from the automobile production department during the slack period, thereupon refused to return to work at the company's call. The Philadelphia Regional Labor Board called a hearing for November 16th. Subsequent to this hearing and pending the Board's decision, the company, according to its own statement, employed 550 new men. The striking employees contend that many more have since been hired to take their places. The company employs from 3,500 to 5,000 men in its various departments, depending upon the season and the number of special orders. The automobile production department, which was particularly affected, is composed of from 1,500 to 3,000 employees. At the time that this strike originated, it is alleged that only about 1,500 were working in that department.

Section 7 (a) of the National Industrial Recovery Act recognizes not only the right of employees to be free from interference, restraint or coercion of employers in their designation of representatives, but also in all activities relating to their self-organization. This section both creates rights in employees and imposes reciprocal obligations upon employers. The statute is explicit in forbidding interference by the employer with the self-organization of his employees. For an employer to sponsor a particular labor organization, to prepare a plan of organization, and to formulate a constitution whereunder the choice of representatives is limited and the right to vote is restricted is hardly compatible with that self-organization which the statute sanctions. Where, in addition, the employees are

not afforded an opportunity to express either their approval or disapproval of the proposed form of organization, it is evident that there has been no free exercise of choice on their part. Both the selection of a form of organization and the designation of representatives, as well as the method of designation, are placed by Section 7 (a) within the exclusive control of the workers. The law does not tolerate any impairment of the freedom of self-organization.

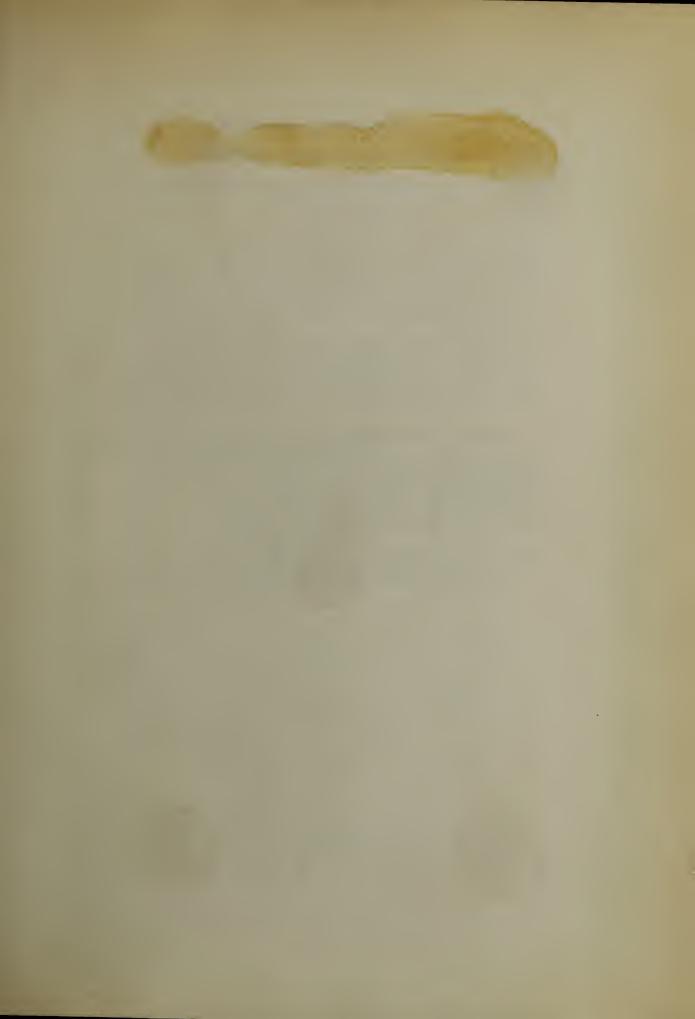
An election which permits an unrestricted choice of representatives should not be lightly set aside. But where, as here, there has been interference in the creation of an organization, the election, no matter how fair and free it may have been, should not be permitted to stand in the way of the formation of an organization of the

employees' own choosing.

From the evidence before us, it appears that the employees in the automobile production department of the company undertook to form such an organization both before and after the election of September 7th. The union seems to have been composed of more than 1,000 paid members at the time recognition was demanded, with many more applications for membership. What transpired at the conference of November 13th does not clearly appear. The members of the workers' committee state that they demanded recognition, but it is not clear whether they claimed to represent all the employees or only those in the automobile production department. In any event they were authorized to speak for a substantial number of the workers.

The summary rejection by an employer of the demands of a committee of workers and the immediate cessation of work by employees do not constitute collective bargaining. Whether the committee was entitled to recognition depended upon whether it was truly representative of the employees. Patient discussion and a display of mutual trust and confidence could have dispelled the doubts of the employer. Had these been unavailing, the good offices of the Philadelphia Board might have been invoked and doubts put to rest by an election under its supervision. The hasty resort to a strike before the processes of collective bargaining had been exploited and before the Philadelphia Board had been afforded an opportunity to mediate the dispute, on the one hand, and the employer's peremptory refusal to discuss the plans of the committee on the other, reveal a mutual lack of understanding of the meaning of collective bargaining and of the requirements of the statute. The task at hand was to determine the credentials of the committee, and this was not facilitated by the premature severance of relations. If the committee represented a majority of the employees, the company's refusal to recognize them as representatives for the purpose of collective bargaining was wrongful. If other representatives had been previously selected by a bona fide election, there might have been justification for the company's refusal to bargain collectively with the new committee. But where the company's interference has invalidated a prior election, there is an obligation to meet the true representatives of the workers, whoever they may be, unless Section 7 (a) is to be a mere scrap of paper.

From the evidence presented, we cannot say whether the committee was supported by a majority of the workers in the Budd plant. The





Budd case continued

DECISIONS OF THE NATIONAL LABOR BOARD

plant apparently consists of several departments, which are engaged in different activities. Whether representation should be by plant or department is a matter which concerns primarily the employees themselves. In a plant of the size of this company, the workers may feel that they can best be represented when they organize on the basis of departments. It is not for the employer or for this Board to dictate the type of organization which should be established. Once the employees determine the nature and extent of the organization which they are forming, it is incumbent upon the employer to meet for the purposes of collective bargaining those who represent a majority of the class of employees which their organization is designed to cover.

It is evident that an election is essential to restore peace in this plant. There are, however, many preliminary questions which must be determined before an election can be held. To postpone the reinstatement of those out on strike until all these matters of detail are settled, would unnecessarily prolong the distress which this strike

has produced.

In view of these facts, the National Labor Board rules that:

(1) The strike be called off immediately.
(2) The striking employees return to work and all be reinstated, promptly, without discrimination. This will produce no unwarranted hardship, as the company states that it can furnish employment to a great many of the strikers, and all of the new employees hired by the company were engaged after the Philadelphia Board had assumed jurisdiction. Under these circumstances the striking employees are entitled to priority.

(3) An election be held under the supervision of the National Labor Board within thirty days, the nature, method and procedure of this election to be determined by the National Labor Board. In the Matter of The Motor Truck Association of Western Massachusetts and International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers, Local Union #404

No. 148. Hearing December 13, 1933.—Decided December 28, 1933

A strike of the truckmen employed by the members of the respondent association resulted from the alleged discrimination practiced against those drivers who had joined the Teamsters' Union and from the companies' rejection of the Union's original demands. This strike was ended by an agreement, in mid-October, by which the companies recognized the union as the representative of their employees, and agreed to negotiate with it regarding wages, hours and working conditions. Negotiations were initiated with the cooperation of the Boston Regional Labor Board, but an impasse was reached when the employers rejected a compromise proposal for the preferential employment of union truckmen.

Another strike was thereupon called early in November. The companies employed a large number of new truckmen and obtained an injunction in the State courts against the strikers. The Boston Regional Board held a hearing on November 25th, which the employers failed to attend. The Regional Board recommended that the strike be terminated at once, that the companies reinstate the striking employees, and that the parties should arbitrate their differences. The employers having rejected these recommendations, the National Labor Board conducted a hearing on December 13th, at which the companies, maintaining their previous position, refused to reinstate

more than a few of the truckmen still on strike.

The trucking companies have rejected all efforts at fair settlement, and have refused to reach any agreement with their employees except upon their own unmodified terms. Their attempt to justify their conduct on the ground that the Union insisted upon a closed shop is not borne out by the facts. The Union receded from this position before the second strike, at the suggestion of the employer members of the Boston Board. It is the uncompromising attitude of the employers which has prevented a settlement of this strike and has defeated all efforts at mediation. In times such as these, the public must demand that both parties manifest a will to agree and adopt the cooperative attitude without which the recovery program cannot succeed.

In the interest of national recovery, the National Labor Board rules:

1. The strike shall be called off at once.

2. All striking employees shall be immediately returned to their former positions without discrimination.





Decisions continued

In the Matter of Houde Engineering Company and United Automobile Workers Federal Labor Union #18839

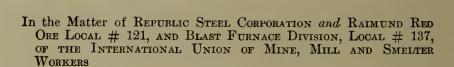
No. 191. Hearing February 6, 1934.—Decided March 8, 1934

This case raises the question whether an employer is obligated to meet for the purposes of collective bargaining a union official purporting to represent some of his employees where the union representative refuses to divulge the names of those represented by him.

The authority of the United Automobile Workers Federal Union No. 18839 to represent the employees of the Houde Engineering Company having been challenged by the company, the Buffalo Regional Labor Board, whose jurisdiction had been invoked by the union, proposed that the company furnish the Board with its payrolls and that the union submit a list of its members on the understanding that both lists be kept confidential and returned to the parties after examination by the Board. The union acceded to this request but the company refused to submit its payrolls unless it were permitted to see the union membership roll. The Board thereupon ruled that the union officials were the duly accredited representatives of "a certain group" of the Houde employees, and ordered the company "to treat at once with the union committee." The company declined to comply with this decision on the ground that it was entitled to know "for whom and how many of its employees the committee is acting." The Board then proposed an election. The company replied that if an election were held, it would demand the names of employees voting for the elected representatives. The case was thereupon referred to the National Labor Board. The company failed to appear at the hearing held by this Board.

Since the company in the present case has challenged the right of the union or the union officials to represent its employees for the purpose of collective bargaining, the best method of determining this question is by a secret poll. The company is obligated to bargain collectively with the representatives selected by the majority in such a poll. (See In the Matter of Denver Tramway Corporation No. 149.) Under these circumstances there will be no need for the disclosure of the names of those voting for the representatives so selected.

The National Labor Board therefore rules that the Buffalo Regional Labor Board, if requested by a substantial number of the employees, shall conduct an election to enable the employees of this company to choose representatives for the purpose of collective bargaining or other mutual aid or protection.



No. 193. Hearing February 15, 1934.—Decided March 16, 1934

This case was referred to the National Labor Board by the Atlanta Regional Labor Board on the refusal of the Republic Steel Corporation to comply with the rulings of that Board. The dispute involves two of the Alabama plants of the Republic Steel Corporation, the Thomas Furnace and the Raimund Mine. The operations at the Thomas Furnace are governed by the Code of Fair Competition for the Iron and Steel Industry, which became effective on August 19, 1933. No code has been promulgated covering the Raimund Mine, and the company has not signed the President's Reemployment

Agreement covering the operations at this mine.
On June 13, 1933, the Republic Steel Corporation proposed a plan of employee representation to its employees at the Thomas Furnace plant. This plan was approved by a temporary committee of employees and by an election committee appointed by the temporary committee but the entire body of employees was never afforded an opportunity to approve or reject the plan. The plan is similar to that in effect in many industries. The management is represented upon a joint committee which is given broad powers in the adjustment of grievances, in settling controversies concerning nominations and elections; and in passing upon the recall of employee representatives and upon proposed amendments of the plan. The eligibility of representatives is limited to those who have been in the employ of the company for a period of one year, and only those who have been on the payroll for sixty days may vote in elections under the plan. Representatives of the workers are compensated by the company for the time spent in attending meetings of committees and are deemed to have vacated their office on their transfer from one voting district to another or upon their appointment to positions of authority.

After the inauguration of this plan of employee representation the employees organized a union known as Local No. 137 of the International Union of Mine, Mill and Smelter Workers. The corporation refused to recognize officials of this union or to bargain collectively with them, on the ground that the representatives elected in accordance with the plan initiated on June 13, 1933, had been designated to serve for a year as the exclusive bargaining agents of the employees, and hence could not be displaced by a later selected

Section 7 (a) of the National Industrial Recovery Act conferred new rights upon the employees and imposed new obligations upon





To All Pontiac Employees

This company has made every effort within its power during the past few years to provide you with a steady job and a regular pay envelope.

We have spent our money to design new cars which would appeal to buyers.

We have bought new machinery, tools, dies, fixtures and everything required to make these new cars better, and at costs which would be low enough to induce people to buy new cars during these hard times.

We have paid for advertising, and hired salesmen, trying to tell everyone who might be interested in buying a new car, which would provide you with work, what a fine car your labor has produced.

As business improved, we have raised your wages,

At the request of President Roosevelt, and in accordance with the regulations of NRA, the number of hours any one of you might work has been restricted with the idea that jobs might be available for more men.

Employee representation plans were arranged, upon which you are represented by men of your own choosing. Through these employee representatives we have discussed together such complaints and suggestions as you have made. Great progress has been made in settling these matters on a mutually satisfactory basis.

We feel we are doing our part.

The American Federation of Labor now proposes to shut this automobile industry down by calling a strike. If this strike is called it will throw hundreds of thousands of men out of work. You may very well be one of them. No wages can be paid anyone except from the money we get from our customers, the American people, for the automobiles you make.



The American Federation of Labor is seeking to represent you in your dealings with us for their own selfish purposes. They want your money for dues. They seek to dictate the conditions under which you will be permitted to work by calling a strike. If they succeed in their purpose the friendly relations that have existed for years may be destroyed. Strikes usually bring much hardship to families through lost time and earnings and other serious consequences.

We will not make any contracts or agreements covering wages, working conditions or anything else with the American Federation of Labor. There is nothing in the National Industrial Recovery Act or in justice or common sense that requires we should.

We will in full accordance with the law, negotiate with you individually or anyone and everyone who can show us he represents you, our workman, but we believe we can run these factories to better advantage to you if we continue to deal with you as we have been doing successfully through your employee representatives. By this we mean we believe we can so best continue to pay you the highest wages, give you the steadiest work, and the best working conditions.

Do not be deceived by the paid agitators of the American Federation of Labor or any other similar organization which does not have at heart the best interest of you and your families or the industry from which you make your living. Your own jobs and freedom to work under the best working conditions and the highest wages in industry are endangered by this threatened strike.

A strike at this time will not only work hardship on you and your families, but will interfere with the recovery efforts of the President of the United States.

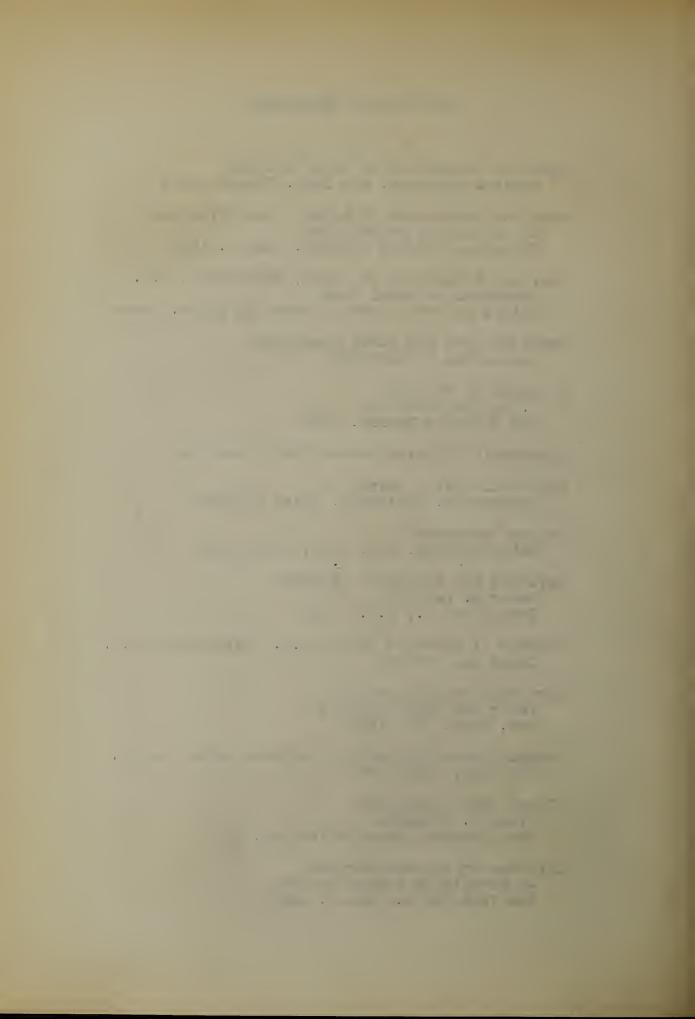
We count on you to do your part.

H. J. KLINGLER, General Manager



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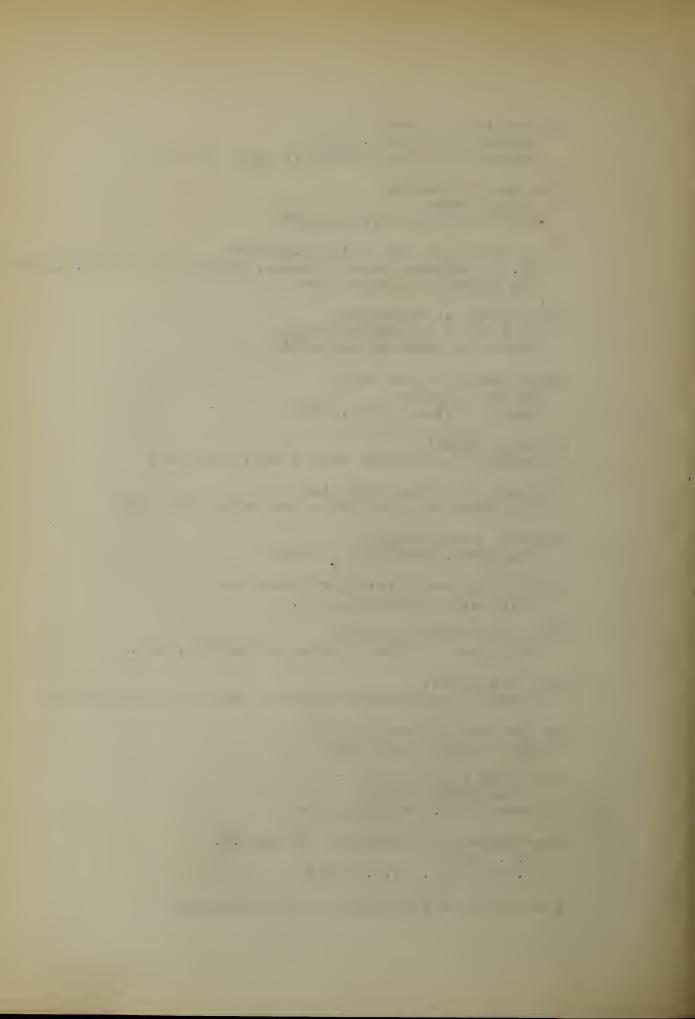
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